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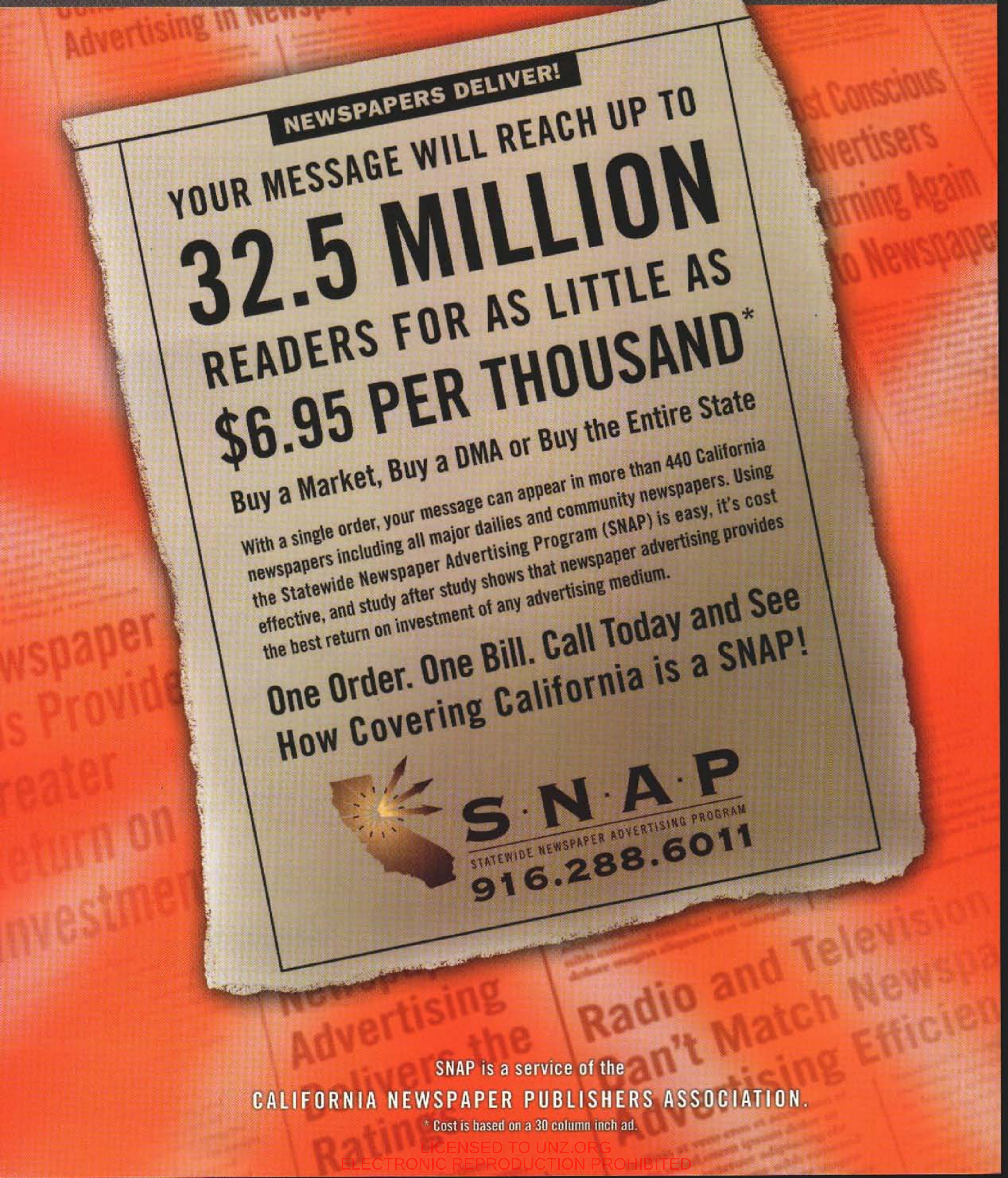

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from the editor

Two sides of CA

A.G. Block

This issue features two packages of articles, interviews and statistics that underscore the flip sides of California. On the up side is the economic engine that has enriched this state for decades — technology, as it applies to politics, voting, fuel cells and its spiritual home in the Silicon Valley. On the down side is the state's troubled prison system, faced with increased scrutiny from the courts, Legislature and the public for, among other transgressions, budget busting and misconduct by correctional officers. Of particular significance is writer Sigrid Bathen's interview with the former inspector general of the prison system, Steve White. It is also significant to note what is not in this magazine — workers' compensation. The much-publicized deal between Gov. Arnold Schwarzenegger and the Legislature was finalized as this issue went to press, too late for us to provide a thoughtful look at the new law and its consequences. As a result, we will focus on this important issue next month with both analysis and commentary.

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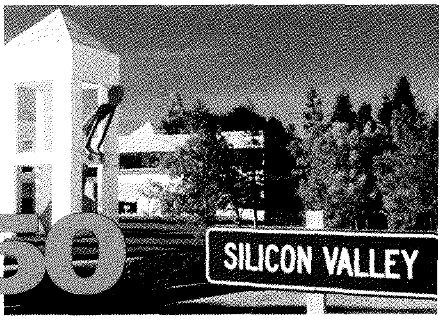
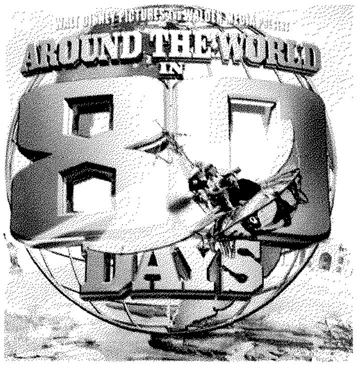


Cover photo: Getty Images

umbrage

Light up the marquee

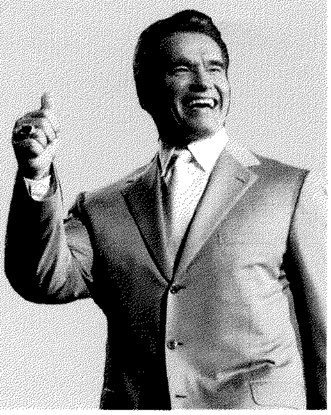
He may be California's CEO and the leader of the fifth largest economy in the world, but Gov. Arnold Schwarzenegger hasn't truly left behind his roots in Hollywood. In recent weeks, the governor has been hanging out with movie stars everywhere he turns, it seems. In mid-April, he held a rare press conference to introduce his star-studded cast of appointees to the California Film Commission. They included the governor's longtime Hollywood pals, his "Twins" co-star Danny DeVito and actor/director Clint Eastwood, who also sits on the unpaid state Park and Recreation Commission. Also making their film commission debuts were actor/director Bill Duke, TV producer Tom Werner and film producer Lili Zanuck. Four days later, the governor and First Lady Maria Shriver appeared at the Northern California movie premiere of "Bobby Jones — Stroke of Genius," about the legendary 1920s U.S. golfer. The Sacramento event, a fund raiser for blind, disabled and junior golf scholarship programs, was hosted by Senate President pro Tem John Burton (D-San Francisco). Next month, the governor will be touting his own on-screen adventures with the opening of "Around the World in 80 Days," starring Jackie Chan, Owen Wilson and Kathy Bates. There's no Terminator lurking anywhere in this remake. It's a PG-rated, Disney version of the 1956 movie, based on the classic Jules Verne adventure novel. In his cameo role, Arnold wears a long, curly wig reminiscent of an ancient Assyrian and plays a character called Prince Hapi. Sort of how he's feeling as governor, we assume.



Arnold's newest movie, opening in June

No longer No. 1 in the neighborhood

It takes a lot to knock Gov. Arnold Schwarzenegger off top billing, but California's official state celebrity is no longer the most prominent politician to vacation in central Idaho. That title now belongs to U.S. Sen. John Kerry of Massachusetts. Kerry and Schwarzenegger own lavish homes not far from each other at the tony Sun Valley ski resort, north of Ketchum. According to the *Idaho Mountain Express*, Kerry descended on the place in late March while taking a break from his breakneck campaign and brought an entourage that dwarfed anything Schwarzenegger could muster. Included was a newly assigned Secret Service detail, campaign staff and the obligatory gaggle of reporters from the national media. Not only that, but a battalion of local volunteers was enlisted to provide support for Kerry's army, with Idaho House Min. Leader Wendy Jaquet — a Democrat, of course — lending her Ketchum home as headquarters for the volunteer effort. Jaquet, by the way, once worked as an aide to then-San Francisco Mayor Dianne Feinstein. Kerry spent his week snowboarding, skiing and generally running the media ragged. Reporters, by the way, were housed 15 miles away in the town of Hailey, Idaho.



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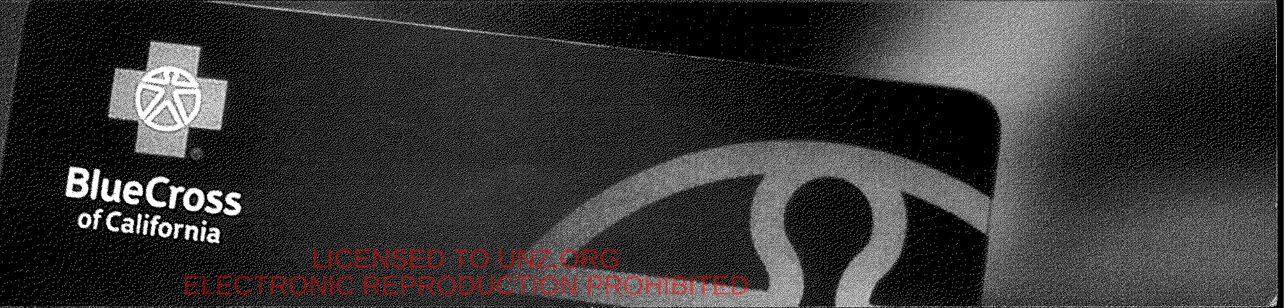
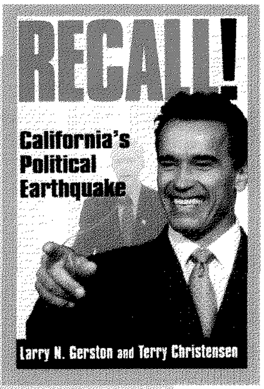
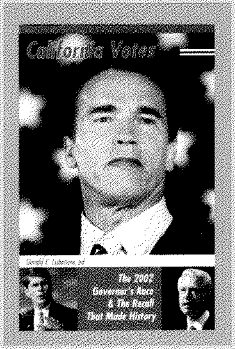


Excerpts:

From the bookshelf

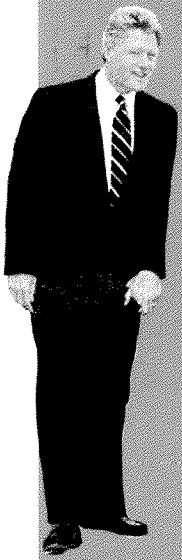

RECALL!
California's Political Earthquake
Larry N. Gerston and Terry Christensen

In the wake of California's record-breaking recall, several writers already have rushed their insights into print, among them Larry N. Gerston and Terry Christensen, co-authors of "Recall! California's Political Earthquake." Their book covers more than just the state's first successful attempt to remove a governor from office. It's also about the inherent weakness in the state's political institutions that led to such a cataclysmic change. Published within weeks of the October 2003 election, the book is seasoned with election tables, charts and Web sites, as well as a detailed timeline of the recall's tumultuous history. The authors, both San Jose State University political professors, point out the significant role of alternative media outlets — Arnold Schwarzenegger's unorthodox use of late-night TV to launch his candidacy — and the impact of the Internet and talk radio. Its counterpart, "California Votes: The 2002 Governor's Race and the Recall That Made History," by UC Berkeley's Gerald C. Lubenow, is a definitive look at both the 2002 election that put Gray Davis into the governor's seat — and the recall that yanked him out of it. It includes the candid observations of political consultants of what went right — and what went wrong — in the election that rocked the political world. Both books offer proof that, in California at least, politics is anything but predictable. — *Alex Wagner*



Online:

Who's first, political style

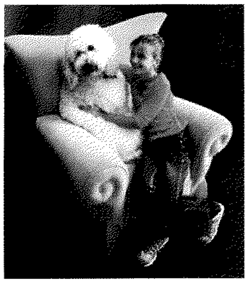


- First online chat from Air Force One: *President Bill Clinton (4/2000)*
- First candidate to collect $500,000 online in one day and $2 million in one week: *U.S. Sen. John McCain (Feb. 2000 presidential campaign)*
- First candidate to raise $1 million online: *U.S. Sen. Bill Bradley (2000 presidential campaign)*
- First candidate to sell merchandise online, including boxer shorts: *U.S. Sen. Barbara Boxer (1998 re-election campaign)*
- First candidate Web site: *U.S. Sen. Dianne Feinstein (1994 re-election campaign)*
- First e-mail campaign: *Jerry Brown (1992 presidential campaign)*

Source: PoliticsOnline Web site

Local Laws:

Barking up the wrong tree?



It sounds so simple. A Northern California animal rights group recently petitioned the Pasadena and Santa Monica city councils to change their local ordinances to recognize "pet guardians," rather than "pet owners." The Marin County-based group, In Defense of Animals (IDA), said it simply reflects that pets are "individuals, not objects" and will help prevent animal abuse, pet abandonment and "puppy mill" breeding. But the CA Veterinary Medical Assn. — as well as other dog and cat groups — are adamantly opposed, saying it will create confusion over who is legally allowed to determine a pet's care. One Santa Monica vet claimed it would unleash lawyers as "dog and cat ambulance chasers." The IDA has succeeded in getting "pet guardian" ordinances passed in Berkeley, San Francisco and West Hollywood. Pasadena's proposal is pending but Santa Monica didn't bite. On a 3-2 vote, the liberally-minded council decided pets still belong to their "owners."

Quotables.....

"He who masters the Internet will not only level the playing field, he will also level the opposition."

— Larry Purpuro, founder of RightClick Strategies and former "technology czar," Republican National Committee

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A NEW LOOK AT

Nearly three decades ago, the word "rehabilitation" was struck from the mission of the California Department of Corrections. But the new Schwarzenegger administration backs an effort to restore it — while it also tries to change a prison system that has grown both massive and unmanageable. By John Howard

Thieves, killers and con artists were shackled aboard the *Waban*, a sinister, 268-ton jail boat floating in San Francisco Bay in 1850. They had a job to do: build California's first prison on land at Point San Quentin, a grim spit surrounded by marshes, hills and shark-teeming water. After months of escapes, violence and disease, the deed was done.

Thus was born California's correctional system.

After 152 years, 32 more prisons, 37 new camps and an unprecedented expansion unlike anywhere else in the world, the $5.7 billion-a-year, 161,000-inmate system remains violent, overcrowded and perilously close to being placed under federal control. It has evolved into the third-largest penal system in the world, eclipsed only by China and the United States' sprawling network of state and federal prisons.

California has the nation's largest Death Row, 637 inmates, larger than 25 states combined and more than 20 times the number of condemned federal prisoners. Including parolees, some 300,000 people fall under the Department of Correction's jurisdiction.

The system is vast, powerful, amorphous and autonomous, and grinds along like a huge glacier. Insiders say its real power resides in wardens and union cells scattered across the state, not in the administrative headquarters at 15th and S streets in downtown Sacramento.

"It's the massive size of the system that makes it so difficult to turn around," noted Rose Braz, a director of Critical Resistance, an inmate advocacy and prison reform group.

Others agree.

"There is no center to the behemoth called the Department of Correc-

CRIME AND PUNISHMENT

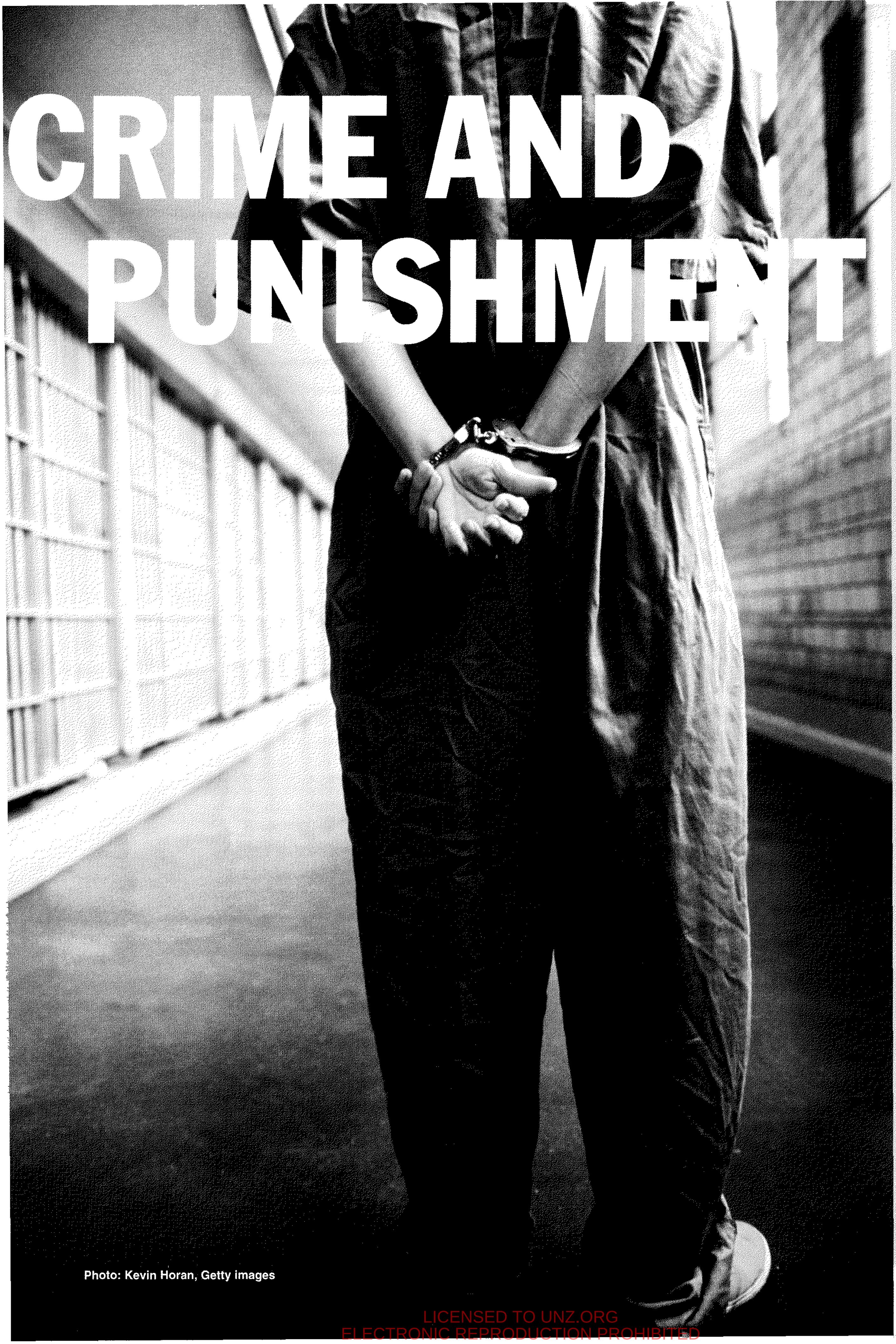


Photo: Kevin Horan, Getty images

tions," added Steve White, the state's former Inspector General. Appearing before a recent Senate committee, White was glum as he wondered whether the flawed system could ever be overhauled. "Heads will roll, butts will get kicked and three months later, when you're not looking, it will be back to the way it was. I know this to a certainty."

But there's a new governor with no political ties to the prison industry, and a new corrections chief urging reforms, including restoring rehabilitation to the state's penal mission. And there are court decisions.

All are sending signals that changes loom for a system that has reached critical mass. Although they are faint and mixed, the signals are there.

"In the past 20 years, this is the first time I've felt there was a real window of opportunity for change," said Dan Macallair of the Center for Juvenile and Criminal Justice at San Francisco State University, a frequent critic of California's correctional system.

"The real difference may be cosmetic now. But if there is a new parole policy and the governor is restoring authority back to the [parole] board, that would be a change. Probably the biggest change is that the Corrections Department is inclined to settle the class-action lawsuits," said Charles Carbone, an attorney with California Prison Focus, an inmate rights group.

But it's difficult to be optimistic about fixing California's prisons.

The starvation death at Corcoran of a depressed 72-year-old inmate and the case of a fellow prisoner who bled to death on Super Bowl Sunday are under investigation. So is the April 2002 riot at Folsom Prison, in which 25 prisoners were injured and a guard who tried to break up the 90-second brawl was permanently disabled. Another officer, who complained that prison officials subsequently engaged in a cover-up, killed himself during the follow-up investigation after alleging that prison authorities retaliated against him.

The Folsom riot and its aftermath triggered a new round of legislative hearings into prison operations and a scrambling of activity from the administration. Governor Arnold Schwarzenegger abolished the independent office of the Inspector General, then reinstated it later under pressure — but without the independence. He also fired acting Inspector General John Chen on the eve of the riot hearings.

Schwarzenegger then named a commission to review prison problems and recommend a fix. The panel is headed by former Republican Governor George Deukmejian, who critics immediately noted had pushed for tougher sentencing laws and expanded prisons in the 1980s.

Problems on top of problems

Historically, Corrections had twin goals: incarceration and rehabilitation. But in the late 1970s, during the administration of Democrat Jerry Brown, rehabilitation was dropped from the department's mission statement. Over the years, that change, plus the addition of determinate-sentencing and three-strikes laws, has had a profound

Tweaking prison privileges

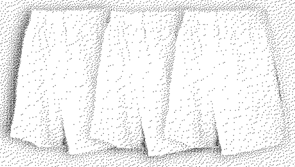
For those with friends or family behind bars, two new policies took effect in January worth noting:

- Visiting hours at all prisons statewide have been moved to weekends only. The change allows more efficient scheduling of prison staffers and, according to officials, is easier on family members of prisoners.
- Those who want to mail packages to inmates must do their shopping only from a Dept. of Corrections-approved catalogue, containing some 260 items, ranging from baby oil to blue jeans. The new policy is designed to eliminate the staff time needed to search incoming parcels sent to inmates from the outside.

Below is a sampling of prison-approved "gifts" for inmates:

CLOTHING ITEMS

CODE#	QTY	DESCRIPTION	PRICE	WT	TOTAL
		Athletic shorts (limit 2)			
C000		Elastic waist, gray (S,M,L,XL)	$ 8.49 ea	8oz	
C000		Elastic waist, gray (XXL)	10.49 ea	8oz	
C000		Elastic waist, gray (XXXL)	11.49 ea	8oz	



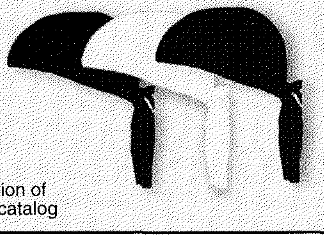
FOOD ITEMS

CODE#	QTY	DESCRIPTION	PRICE	WT	TOTAL
		Assorted Candy — Snack size — (Limit 10)			
C000		Reese's Sticks	$ 1.79 ea	6oz	
C000		100 Grand	1.79 ea	7oz	
C000		Milky Way	1.79 ea	7oz	
C000		Reese's Cups	1.79 ea	8oz	
C000		M&M's Plain	3.38 ea	14oz	
C000		M&M's Peanut	3.38 ea	14oz	
C000		3 Musketeers	3.38 ea	13oz	

m&m's
3 Musketeers
SNICKERS
Reese's
Reese's 10 PACK

MISCELLANEOUS ITEMS

CODE#	QTY	DESCRIPTION	PRICE	WT	TOTAL
		SUN GLASSES (Limit 1)			
C000		Soft Frames, Black	$ 10.49 ea		
C000		Soft Frames, Brown	10.49 ea		
		HAIR NET			
C000		Doo Rags, white	$ 1.99 ea	.5oz	
C000		Doo Rags, gray	1.99 ea	.5oz	



Sample reproduction of
D&D Enterprises catalog

impact on the department and the inmates it serves. With scant attention to rehabilitation, two-thirds of released inmates are back behind bars within 18 months, *double* the national average.

Meanwhile, the number of inmates has skyrocketed seven-fold since 1980 but now is leveling off. The number of prisons has nearly tripled and more construction is envisioned despite a budget shortage — including a proposed $200 million Death Row renovation. A new $335 million, 5,000-bed prison is under construction in Delano north of Bakersfield.

Clogging the system are parole violators and those imprisoned for non-violent crimes involving property or drugs — nearly two out of every three inmates. Ultimately, nine out of 10 prisoners are released from custody and put back on the streets — rehabilitated or not. Despite the spiraling incarceration, the proportion of violent crimes — 621 per 100,000 inhabitants — is about the same as in 1975, before the prison boom.

And then, there are those who watch over the inmates. A scathing January report by a monitor for U.S. District Judge Thelton Henderson said that prison administrators routinely bow to the guards' union, the 31,000-member California Correctional Peace Officers Association, in deciding such fundamental issues as disciplines and transfers. The report said officers followed a "code of silence" to thwart investigations, urged contempt charges against the state's former corrections director and said the federal government should step in and manage the flawed system. Henderson said he was considering it.

Schwarzenegger has responded by saying his top priority is changing the ethics and culture of prisons.

Jeanne Woodford, Dept. of Corrections

"Rehabilitation is a primary mission of the Department of Corrections. If all you expect of prisoners is to do their time, than you have not gotten much for your money." — Jeanne Woodford

The California Youth Authority, which takes in juvenile offenders and adults up to age 25, drew fire as well with the release of a videotape showing guards beating two teenage wards on January 20 in Stockton, and with the disclosure that the CYA put recalcitrant youths in steel outdoor cages. Senate investigators, already working overtime looking into the prisons, began eyeing the CYA, the focus of court orders to put its house in order. The CYA houses 4,200 young inmates in nine institutions and four camps.

The result: California prisons are drawing the most public attention in a decade.

"Folks will continue to sporadically pay attention to prisons, but unfortunately the only time they do is when there are allegations of abuse, escapes or riots," said CCPOA Vice President Lance Corcoran.

Shaping the culture

For decades, California's prisons have been shaped by politicians who have built careers by pushing punishment legislation, by the CCPOA's swelling political clout, by fundamental changes in sentencing laws and by the public's gut feeling that convicts get what they deserve.

With fighting crime a top priority in the 1970s and 1980s, the public approved financing of massive prison construction. Within two decades, California built 20 more prisons, more than in its first 130 years.

A change in sentencing laws signed by Governor Jerry Brown went into effect in 1978. Since early in the century, people convicted of a crime were sentenced to an indeterminate range of time, such as two to 10 years for a burglary, or five years to life for armed robbery. The new determinate-sentencing law ordered fixed terms and limited the discretion of judges and parole officials. Reformers said it would prevent sentence discrimination. But critics — who now include Brown — said it removed the incentives for inmates to behave behind bars.

"There was no empirical evidence to justify the change, it was based on mood," said Brown, now mayor of Oakland. "The determinate sentence means you treat different people equally, those who should be locked up for a short time and others who should be locked up for a long time. When you don't distinguish between the two cases, you eventually increase the sentences to keep them longer. That's the fatal flaw of determinate sentencing. You keep people who could return to society too long, and you don't incarcerate long enough the people who are entirely unsuitable for society."

Brown said the law needs "radical surgery."

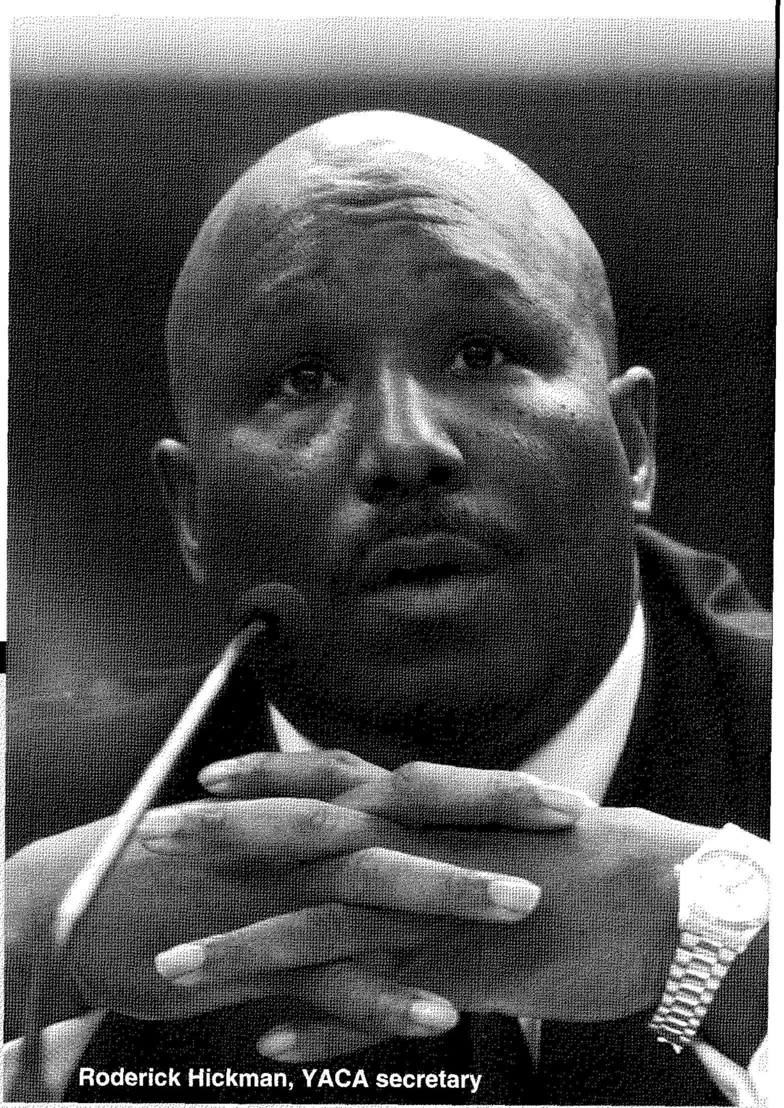
As politicians boosted penalties for crimes, adding longer sentences and harsher penalties, the inmate population grew 23 times the pace of the state's population growth.

Schwarzenegger eschews the campaign cash of the CCPOA, which wielded enormous political influence on former Republican governors Deukmejian and Pete Wilson, and on former Democratic Governor Gray Davis — all of whom ardently supported the prisons' expansion. All received large campaign donations from CCPOA. Indeed, Wilson in 1996 received the largest single campaign donation in California history up to that time — $420,000 — from the CCPOA, while Davis received an overall total of some $3 million.

RODERICK Q. HICKMAN

The secretary of the Youth & Adult Correctional Agency inherited a job fraught with "highs" — high demands, high expectations, high visibility, high pressure.

By A.G. Block



Roderick Hickman, YACA secretary

Roderick Hickman came from the ranks, the first former correctional officer to reach the pinnacle of his profession — secretary of the California Youth & Adult Correctional Agency, or YACA. If this were the U.S. military, it would be as though an enlisted man had clawed his way up to be chairman of the Joint Chiefs of Staff.

As secretary, the burly 47-year-old inherits one of the most challenging jobs in government — revitalizing and reforming a troubled agency that runs the state's prisons and houses society's criminal misfits, including its most dangerous and violent felons. It's an agency whose prisons the characteristically blunt Hickman called "dysfunctional" during testimony before a legislative oversight committee this past January.

Hickman's mission is something akin to turning a rudderless battleship: transform the current prison culture of mismanagement, mistrust, suspicion and violence into one that better serves both the public and the inmates who dwell within its walls. It is far too early to know if the new secretary can turn the battleship, although he seems to have developed a good turn of phrase. "Slick" is the way he was described by one observer.

"We are all impressed by what we hear [from Hickman]," says state Senator Jackie Speier (D-Hillsborough), co-chair of a Senate committee investigating the prison system. "He gives the impression he can and will take charge, but we won't know if either of those characteristics are true for three or four months."

Critics of the correctional system who agree on little else believe the CCPOA is too powerful, that it influences correctional policy, prison administration and staff discipline. "They run the show. They *are* the Department of Corrections. Nothing gets done without the acquiescence and approval of CCPOA," Carbone said.

By one estimate, perhaps a third of the CCPOA's $22 million in annual dues finances political activities, and the money goes to members of both major parties, the statewide parties themselves, lobbyists, the leaders in both houses of the Legislature and independent expenditure committees. The largesse extends to members of the Senate Rules Committee, who approve the governor's appointments of wardens. The guards' union also is one of the biggest advertisers in *California Journal,* read by the state's influential policymakers.

John Hagar, Judge Henderson's special monitor, said even high-up Corrections Department officials caved to pressure from the CCPOA.

"Yes, we are big and we do participate in the political process," said the CCPOA's Corcoran. "If you tell the story long enough, you'll see that it's been overblown. You can't read any story, any editorial without seeing the 'politically powerful CCPOA.' They [correctional officers] are not obstructionists."

Adding to the uproar is a $251,000 campaign contribution from the correctional officers to Davis shortly after he signed a lucrative, five-year contract giving the guards a 37 percent pay spike, plus favorable medical and overtime benefits. Schwarzenegger wants to rewrite the agreement. Thus far, the CCPOA is skeptical.

"If our last deal didn't stick, how is this deal going to stick? They can't answer that. We have a formula that ties us to the Highway Patrol. How would this [renegotiation] affect our formula?" Corcoran said.

Restoring "rehab"

Schwarzenegger's newly appointed prisons director is Jeanne Woodford, who rose through the ranks to become warden of San Quentin Prison. She has publicly demanded that the term "rehabilitation" be restored to the official mission of California's prisons for the first time in 28 years. The efforts by Woodford, who bolstered her San Quentin staff with some 3,000 community volunteers who taught language and job skills to inmates, are being watched closely by national penologists.

"Rehabilitation is a primary mission of the Department of Corrections," the outspoken Woodford told the public affairs television program, "California Connected." "If all you expect of them is to do their time, than you have not gotten much for your money."

Former Assembly Republican Leader Pat Nolan of

Upon his appointment, few could boast as varied a background within the prison system. The son of a retired Air Force senior master sergeant, Hickman became a prison guard in 1979. He taught at the correctional academy before undertaking a variety of positions, including warden of the Mule Creek State Prison near Ione. When Governor Arnold Schwarzenegger tapped him as secretary, Hickman was serving as chief deputy director for field operations. Hickman is even married to a corrections captain. He and his wife Gloria have an adopted son who is in the third grade.

To achieve his monumentally complex goal, Hickman lives by a mantra: "Leadership must demand integrity."

"It's not enough to have policy and procedure," Hickman insists. "We have to have principled leadership." And those principles must filter all the way down through the chain of command, he says, from agency secretary to individual officers who patrol cell blocks.

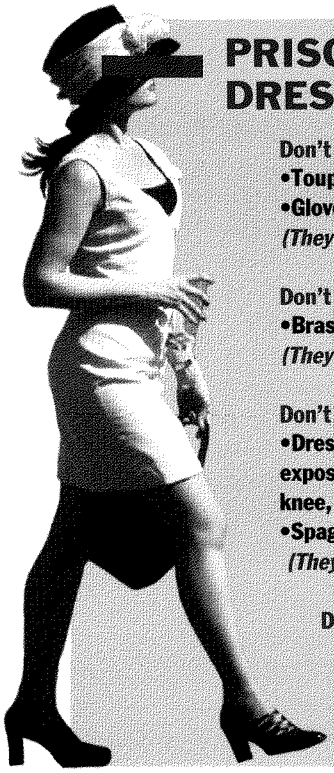
Integrity and ethical behavior is critical, Hickman believes, if the prison system is to carry out its responsibility to help rehabilitate inmates as well as incarcerate them. "If [guards] model exemplary behavior, the [inmate] population sees and understands, and it becomes part of the rehabilitative process. You change people by having them watch how you behave, and these are people [inmates] who never had those kinds of role models in their lives."

Prison guards do not always behave well toward inmates, and Hickman considers it critical that training programs inculcate officers with an outlook on life, as well as provide them with a manual of prison procedure. "We want to teach people how we want them to be as individuals, then teach them what we want them to know."

At first, Hickman's appointment last November generated a wave of optimism precisely because of his pedigree. "I had high hopes," former Inspector General Steve White told a Senate committee in January (see page 18). "It was a step toward the better" — a sentiment shared by the corrections industry's most prominent and powerful player, the California Correctional Peace Officers Association (CCPOA). Hickman was, after all, a dues-paying member for 25 years.

"When Rod was initially appointed," says CCPOA Vice President Lance Corcoran, "there was a sense of excitement. We felt that we had an agency secretary who had intimate knowledge of the system and would affect change in the department."

But optimism quickly dissolved into wariness and disappointment for White and Corcoran, and both have since expressed doubts about Hickman's leadership. White questioned Hickman's passion for reform and his commitment to fixing problems that plague the agency. For instance, he pointedly accused the secretary of helping to abolish the independent Inspector General's Office in the early days of the Schwarzenegger administration. Although the office — which investigates allegations of staff misconduct in prisons — has since been restored, White criticized Hickman's



PRISON VISITORS DRESS CODE DON'TS

Don't wear:
- **Toupees or wigs**
- **Gloves, scarves, hoods or hats**

(They can hide weapons)

Don't wear:
- **Brassieres with metal underwires**

(They can set off metal detectors)

Don't wear:
- **Dresses, skirts, pants or shorts that expose more than two inches above the knee, including slits when standing**
- **Spaghetti strap tops**

(They can arouse inmates)

Don't wear:
- **Blue jeans or light blue shirts**

(They can be confused with inmate attire)

Source: Dept. of Corrections

Glendale, a rising GOP power until he got snagged in the FBI's undercover corruption investigation of the Capitol in the 1980s, agreed with Woodford. He argues that without some form of rehabilitation, prisoners cannot function when released from custody.

Critics of the correctional system who
correctional policy, prison
Department of Corrections. Nothing

As a lawmaker, Nolan pushed through tough-on-crime legislation, then wound up serving two years in federal prison. He now works as an executive in Prison Fellowship, a faith-based national prison reform group founded by Charles Colson, a former White House adviser who also went to federal prison, for Watergate-related crimes. Last month, President George W. Bush appointed Nolan to a national advisory group to craft recommendations on preventing prison rape.

"I remember the day I was released, some friends took me over to the 4th Street Grill [in Sacramento]," Nolan said. "Everybody ordered, but when it got around to me, I couldn't decide. I sat there with a menu in my hand and there were too many choices. It overwhelmed me. I was only in for two years, and I had a support group of friends and family. Think of the guy with none of that, confronted

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role after the secretary sought to transfer the IG's function to the agency itself. It was a move White considered fatal to the IG's independence and to public confidence in any reform program.

Hickman explains that the transfer was proposed for fiscal reasons and that investigations would not have been compromised. He also disputes the notion that a perception problem exists when an investigating arm is under the thumb of the agency it is assigned to probe. Once the office was restored as an independent agency, however, Hickman belatedly acknowledged that an independent IG "makes it easier for me to do my job."

For Corcoran, Hickman's great sin seems to be betrayal of the rank-and-file, and he accused the secretary of focusing too heavily on misbehavior by guards and too little on the majority of correctional officers who work hard under trying circumstances. He particularly cites a February memo issued by Hickman proclaiming "zero tolerance" for the so-called "code of silence," whereby officers refuse to report cases of misbehavior by fellow guards or cooperate with those investigating wrongdoing. Anyone who abides the "code," Hickman's February 17 memo warned, would face termination.

In issuing the memo, Corcoran says, Hickman "besmirched the reputation of every officer out there because of the actions of a few, and that is not good leadership." He contrasted it with a March 10 memo sent by the new director of the Department of Corrections, Jeanne Woodford, which amounted to a pep talk for demoralized staff.

According to Corcoran, Woodford, who reports to Hickman, exudes leadership, and he advises Hickman to reach out to correctional officers, to tell them — as Woodford did — that he believes in them.

Hickman may heed that advice, or he may prefer the image that currently appears to the outside world — that of "bad cop" to Woodford's "good cop." He may prefer that Woodford serve as Corrections' cheerleader while he carries the spiked club as a reminder that thuggery will no longer be tolerated.

Whether Hickman has enough depth to go along with his prison experience is a chapter yet to be written. But according to those with knowledge both of Hickman and the prison dilemma, the secretary doesn't have much time to nudge the battleship in a new direction.

"He has ambition," says one source who asked not to be identified. "He'll either succeed or be eaten up within a year."

A.G. Block is editor of the California Journal. *Send comments to* **comments@californiajournal.com**

agree on little else believe the CCPOA is too powerful, that it influences administration and staff discipline. "They run the show. They *are* the gets done without the acquiescence and approval of CCPOA."
— Charles Carbone

by freedom."

Persuading state lawmakers — many facing re-election and fearful of being accused of coddling criminals — to replace the word "rehabilitation" in the state's penal code won't be easy. A bill by Assemblyman Paul Koretz (D-West Hollywood) to do just that stalled in the Legislature and appears dead for the year unless Schwarzenegger weighs in with his political star power.

Schwarzenegger forced budget cuts and successfully won voter approval in March to borrow $15 billion to cover part of the state's red ink. Can he win another victory on prisons, this time for Woodford?

"Certainly, but it definitely will take leadership from the top. Without his full support behind her, it would do her in," said Assemblyman Mark Leno (D-San Francisco) who chairs the Assembly Public Safety Committee. "There is a need for political leadership and political vision coming from the executive office, and quite frankly we haven't had that for the past two decades. [Schwarzenegger] wants to be fiscally responsible. He also shows excitement about what good policy can produce." Leno said he also expects sentencing reforms to come before lawmakers, but predicted a bruising political fight.

Schwarzenegger surprised observers by allowing freedom for several lifer inmates authorized for release by the nine-member Board of Prison Terms. State law permits the governor to override the parole board but Davis, fearful of appearing soft on crime, blocked release in all but eight of 294 cases he considered. But Schwarzenegger, a scant four weeks after being elected, considered the release of 10 inmates and approved freedom for four, including Rosario Munoz, who killed her husband's lover in 1987. Davis had twice turned down Munoz's parole. Schwarzenegger's action sent ripples through the correctional community.

Then, in December, Schwarzenegger authorized a settlement in a class-action court challenge known as the Valdivia case, which governs the way Corrections handles parole violators. The decision assures parole violators of access to an attorney during parole-revocation hearings, shortens the time between hearings and sets up of "intermediate sanctions" that peg the length of a violator's sentence to the severity of the violation. The changes had long been urged by the Little Hoover Commission.

In the end, reforms in the prison will stem from public pressure, according to former Governor Brown.

"For most people who live in safe communities, this isn't a problem. But there is great concern about prison and parolees in many communities where criminals can operate with virtual impunity," said Brown. "There will be change, but it will take quite awhile. It will take a lot of public awareness about the true state of affairs."

John Howard is senior editor of California Journal. *Send comments to* **comments@californiajournal.com**

TIMELINE

1851

Act passed by California Legislature makes robbery and grand larceny punishable by imprisonment or death.

1976

California invokes determinate sentencing.

1990

First boot camp in California opens for juveniles in Los Angeles County.

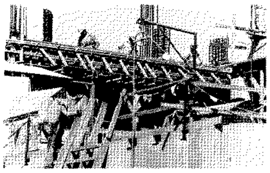
1994

California's "Three Strikes and You're Out" criminal sentencing measure signed into law.

Congress amends Juvenile Justice and Delinquency Prevention Act of 1974. States must determine whether disporportionate minority confinement exists, identify the causes and develop and implement corrective action.

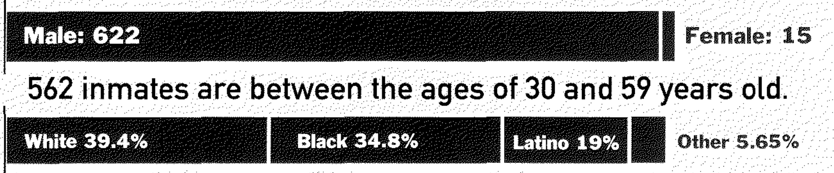
1998

California's Little Hoover Commission finds that "county jails and state prisons do not have adequate space to house inmates and adequate plans do not exist to deal with the crisis."



DEATH ROW

Total number of condemned inmates: 637

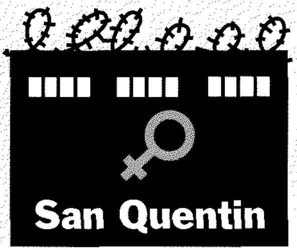


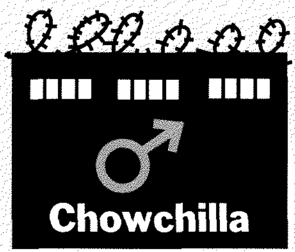
562 inmates are between the ages of 30 and 59 years old.

About one in five of the nation's 3,500 condemned inmates is on California's Death Row. The 15 women on California's Death Row represent nearly a third of the country's 49 condemned female prisoners.

Where They Sit and Wait

Female inmates are incarcerated at the Central California Women's Facility at Chowchilla. Male inmates are housed in aging San Quentin, built in 1852, which has been proposed for $200 million in renovations.

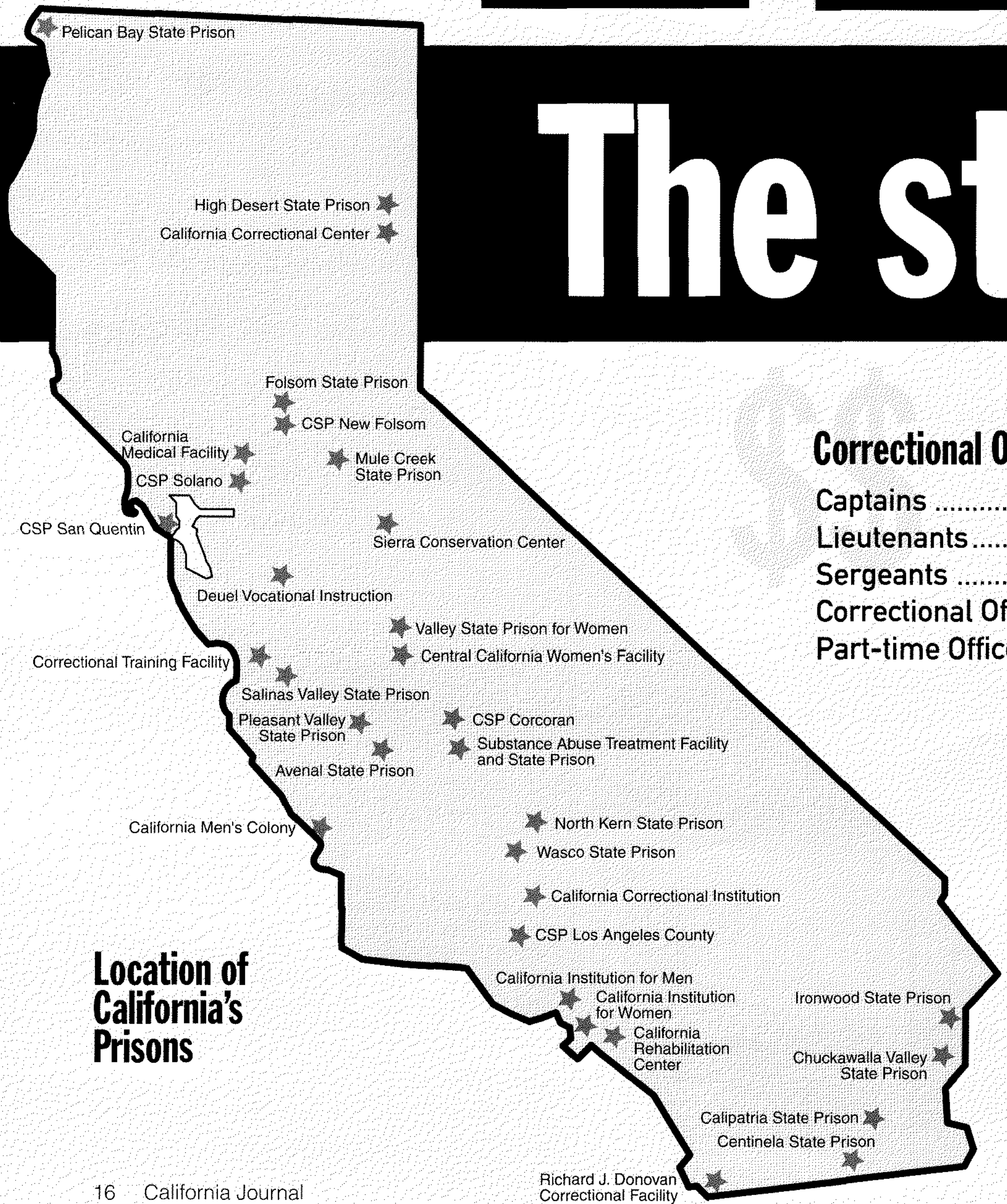

San Quentin


Chowchilla

79

Age of the oldest Death Row inmate, Raymond Frederick Johns, who died in March 2004, just shy of his 80th birthday.

The state of


Pelican Bay State Prison
High Desert State Prison
California Correctional Center
Folsom State Prison
CSP New Folsom
California Medical Facility
CSP Solano
Mule Creek State Prison
CSP San Quentin
Sierra Conservation Center
Deuel Vocational Instruction
Valley State Prison for Women
Central California Women's Facility
Correctional Training Facility
Salinas Valley State Prison
Pleasant Valley State Prison
CSP Corcoran
Substance Abuse Treatment Facility and State Prison
Avenal State Prison
California Men's Colony
North Kern State Prison
Wasco State Prison
California Correctional Institution
CSP Los Angeles County
California Institution for Men
California Institution for Women
California Rehabilitation Center
Ironwood State Prison
Chuckawalla Valley State Prison
Calipatria State Prison
Centinela State Prison
Richard J. Donovan Correctional Facility

Location of California's Prisons

Correctional Officers' Monthly Salary Range

Captains	$6,134-$6,763
Lieutenants	$4,464-$5,646
Sergeants	$4,126-$5,012
Correctional Officers	$2,809-$4,574
Part-time Officers	$1,543-$2,513

Prison Guard Contract

A controversial contract ratified in February 2002 between the state and the California Correctional Peace Officers Association (CCPOA) offers an estimated 35 percent pay increase over five years, plus favorable retirement, overtime, job assignment and sick-leave provisions. The State Auditor expects the additional costs to reach $500 million annually by 2006. Meanwhile, during the first six months of the contract, overtime costs hit $110 million—nearly triple the amount budgeted.

300,415

Total number of offenders under jurisdiction of Dept. of Corrections, including parolees, firefighter trainees, and residents of five facilities for inmate mothers

161,785

Total number of inmates housed in 32 prisons, 37 camps and 12 community facilities

This includes **18,174** foreign-born inmates held on federal immigration violations

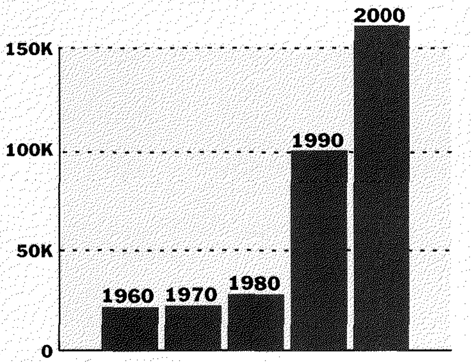
33%

Number of inmates from Los Angeles County

Other counties:
8% from San Diego
7% from San Bernardino
5% from Orange

Sources: CA Dept. of Corrections, CA Dept. of Justice, CA State Auditor, 7/02

PRISON POPULATION

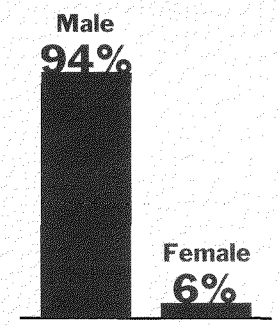


Prison Jam

The number of prison inmates has *jumped more than seven-fold since 1980* to the current 161,785.

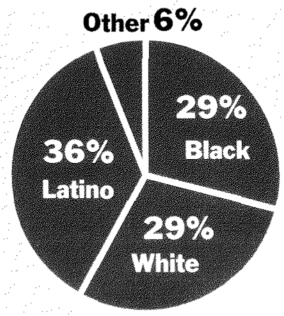
California's prisons

Inmate Population



The state's problem-plagued prison system faces renewed scrutiny on several fronts — from the governor, state and federal courts, the Senate's prison oversight committees, the Legislature's budget writers, and the media. The question remains whether the combination of a new governor, a new corrections director and an overhaul of parole policies will lead to meaningful reforms.

Inmate Ethnicity



302

Average number of annual escapees; 97% are eventually apprehended

A SYSTEM WITH NO CENTER

Now a Sacramento Superior Court judge, Steve White headed the independent Office of the Inspector General, which investigates conditions in California state prisons, from 1999-2003. Harshly critical of the system he investigated, White says radical change must occur — and soon.

By Sigrid Bathen

In 1999, Steve White was named by Governor Gray Davis to head the state Office of the Inspector General, an independent agency which investigates the state prison system and recommends changes. The prison system includes the state Department of Corrections (CDC), the California Youth Authority (CYA), the state Board of Prison Terms, the state Board of Corrections and the Prison Industry Authority — all gathered within a "super-agency," the Youth and Adult Correctional Agency (YACA).

White, who brought strong legal and law enforcement credentials to the job, began his legal career as a county prosecutor in Sacramento, then served as executive director of the California District Attorneys Association before being tapped by then-Attorney General John K. Van de Kamp in 1983 to head the criminal division in the state Department of Justice. He was appointed Sacramento County district attorney in 1989 then ran successfully for the job in 1990. He was defeated for re-election in 1994 and worked in private practice.

As Inspector General, White sent investigators across the state and regularly visited prisons himself. White's office was hampered by a state budget crisis that slashed its budget by 77 percent in two years and reduced its workforce from 117 employees to 19.

White left the office in 2003 when Davis named him to the Sacramento Superior Court. Early in the new administration, Governor Arnold Schwarzenegger fired acting Inspector General John Chen, who had been White's deputy, and said the agency would be abolished. The governor later changed his mind, appointing a new Inspector General, former Deputy Attorney General Matthew Cate. He also appointed a special commission, headed by former Governor George Deukmejian, to investigate the prisons.

Following are edited excerpts from a two-hour interview with White, conducted in his Superior Court chambers in Sacramento on March 24, 2004.

California Journal: In your testimony before the Senate prison oversight committees, you called the state prison system "an immense organic entity [with] no center." Please elaborate.

Steve White: A combination of factors make it impossible to manage in a conventional way. That is partly because it has gotten so big so fast, but there are myriad other factors. ...This is not a model that can be tweaked or amended. It has to be fundamentally changed. [Corrections administrators and staff] are so caught up in the department, so much a product of that environment, that things plainly wrong to an objective set of eyes are seen as variously not a problem or simply something one had to live with. Contributing to this [environment] is the geographic and architectural isolation of the prisons. Most prisons are put far, far away from the rest of

Steve White, former state Inspector General and current Superior Court judge, testifies in January before the Senate prison oversight committees. Photo: *California Journal* archives society. Most of what happens in them is in the shadows and not known outside of the prisons. You overlay that with the code of silence, you can see how hard it is to reform.

CJ: You also likened the entire system, including the California Correctional Peace Officers Association, to a pool table, with CCPOA being "the biggest ball, beating the other balls all over the felt." Explain.

White: To make the prisons run, there are a lot of players in the mix, CCPOA being one of them. But [the players] need to be reporting to an authority responsive to the people, and that authority — the director or the governor — has to have the last word. I don't think it works that way now. CCPOA is an almost seamless power which threads through the entirety of the department. A warden's power, while not insignificant, is at one prison. The corrections director should be the singlemost powerful entity in terms of seeing how to broker and decide and resolve policies in a way that is responsible to sound principles of management and public accountability. ...It takes somebody very powerful, somebody who is a very capable leader. It's not a bureaucratic job. There is a huge bureaucratic component, but that component has to be subordinate to pure leadership. If the director were to take the position— not just lip service — that "the code of silence will not be permitted, it will not happen on my watch, and I will use all my power to thwart it, to stop it, to prevent it" ... that [would be] a statement of policy and leadership.

"If there is an opportunity to get things right in these
20-30 years, and they're much worse now, largely a

The assurances [of change and reform] the Legislature and the governor and the public are being given now are not new. I am utterly skeptical of those [assurances] until and unless there is definitive, dramatic, decisive action that is consistent with those expressions. ...It has to be something their gut is in. ...[Dept. of Corrections leaders] can't just compartmentalize this job and say, "Well, you know, it's Corrections, what can you do?" Their idea of doing something is appointing task forces, having meetings upon meetings, adopting policies, changing regulations. The policy manuals of the Department of Corrections can't be read by a human being in a human lifetime. There are many internal inconsistencies. No one knows what's in them, and no one cares.

CJ: What is your view of the new governor's commission? Do we need yet another review, another report?

White: From the governor's perspective, this commission is probably a good idea — they have good people on that commission. But that wheel has been invented. ...I listen to people from YACA, from Dept. of Corrections, assuring the federal court and the Legislature and the governor that they're on top of this, there's a new sheriff in town and by God this won't happen again. That doesn't do it. We *know* what the problems are.

CJ: Agency reorganization seems to be a popular bureaucratic approach to problems in government, but does it result in substantive reform?

White: [YACA leadership] became akin to the English royal family, and it had about as much influence on the departments as the royal family does on England. They weren't responsible for policy. They didn't hold the departments accountable. Examples: The prisons going over budget on a regular basis, the structural deficit within the department, the misuse of resources. The agency never did anything, so far as I'm aware, certainly didn't accomplish anything. I don't think they ever have. It's as if they don't assume any responsibility. Corrections is such a monster unto itself that it pretty much does what it does without reference to agency. There is some [interaction] in terms of an occasional kiss of the ring, but it ... doesn't matter what the agency says.

CJ: You said you respected Rod Hickman when he was warden at Mule Creek State Prison, but that you've since lost respect for him. Why?

White: He did several things that were inexcusable for somebody who is really committed to change, which he plainly is not, in my view. One is acceding to, and maybe even recommending, closure of the office of Inspector General. I wasn't in the position at the time, so this isn't personal, although it is strongly felt. [White earlier referred to Hickman as a "careerist" more interested in his own career than in fixing problems within his agency.]

CJ: You said the correctional system was created by people who didn't want it to work. What do you mean?

White: A significant part of the prison system should — and statutorily does — have the responsibility to prepare people to go back into the community, and they parole well over 100,000 people every year. ...A surprising aspect of the culture of CDC doesn't have any sympathy with that objective.

CJ: Isn't that the view of the general public?

White: The general public doesn't know or need to know as much as people in the prison system need to know. It's easy to get money for incarceration. ...It's harder by far to sell the need for money for rehab and programming, significantly because the public doesn't reflexively support that and needs education on that point. A lot of this falls on the Legislature.

CJ: During your tenure, your office conducted hundreds of investigations and audits. Would you highlight some of the more egregious findings?

White: [There were] findings on use of force, health services and delivery, lockdown management, security housing issues, juvenile justice lockdowns. And then there are a large number of cases where we're talking about an individual — an inmate will allege some abuse, or a correctional officer would file a retaliation complaint that he or she was retaliated against by a superior. [*Reports available at www.oig.ca.gov*]

departments, it's now. These problems go back
function of the massive growth of this prison system.”

CJ: What did you find regarding “602s,” the inmate appeal mechanism?

White: “602s” are appeals that inmates file if they feel they have been harmed, their rights violated. The 602 is the only mechanism in the system that allows an inmate to illuminate some issue beyond his cellblock. We did a number of audits and investigations of 602s. Generally, we concluded that they were not being processed consistent with law in many institutions. ...We found that in some prisons, the 602s were being thrown away or destroyed. Or they were allowed to sit for months without action. There are many levels of review, the last being the director's level. They would go to the director sometimes, and still there would be no response.

CJ: What did you find when you visited prisons?

White: I went into the prisons almost every week and talked to staff and inmates. I would always go talk to people who wouldn't normally see someone from the outside, and I would talk to [inmates] without Corrections people with me. It's impossible to talk to them without somebody knowing I'm talking to them. But I would go into security housing units, to the cells, and make sure [officers] would be off the tier. I'd talk to these guys, take notes and my staff would follow up. ...Sometimes [inmates] were wrong, sometimes they were crazy, but often I would find things like they hadn't had any soap for two or three weeks. They hadn't had exercise; the prisons were almost always out of compliance with the regulations on exercise. Often the department was trying, but they had so many people locked down that it was logistically impossible to comply with the minimum exercise requirements. Other times, they just weren't giving them exercise.

There were a lot of complaints about the food ... it was so pervasive and different in each prison. Some prisons were serving diets which were nutritionally substandard, ultimately harmful. One prison cut out all fruit. The explanation was that inmates can make “pruno” (alcohol), but you can make pruno out of anything with sugar in it, so you address the pruno issue by doing cell searches, not by denying food.

Sometimes they wouldn't want to talk. The Nuestra Familia and the Mexican Mafia (prison gangs) were reluctant to talk because it's culturally not allowed — to talk to the government. But I'd just sit down with them on the yard, and they would open up.

CJ: Do you think if reporters were allowed to do individual inmate interviews, which have been prohibited for several years, some of these issues might have been addressed?

White: Definitely.

CJ: Recent news stories have detailed chilling accounts of prison health care — an inmate who bled to death, an elderly inmate who starved to death, the CYA suicides. Your reports were highly critical of prison medical care. Elaborate.

White: The delivery of medical care in the prisons is extraordinarily uneven. ...You may have one institution with pretty high-quality medical care, which may be situational because of a particular doctor or doctors who are there. There are some very fine doctors, but not very many, and you have some places where the medical care is not good, not timely. Some of this isn't the fault of the medical people but attributable to the inmate not being “ducketed” to go to a doctor, which is one reason you need the 602s. Our reports have only begun to scratch the surface.

It's so mismanaged that many millions of dollars are being spent that don't need to be spent. For example, adopting a sensible formulary for prescriptions, you could save $50 million right out of the box. It's astonishing that they don't have a formulary.

[And] medical records don't always follow the inmate. It's no small thing to move an inmate from, say, San Quentin to Susanville — it requires a lot of people because

An independent investigator

At press time, *The Sacramento Bee* reported that Governor Arnold Schwarzenegger is deciding whether to establish a new prison-watchdog agency to ride herd over the Office of Investigative Services, which handles internal probes at the Department of Corrections and was criticized by a federal monitor in January. The court singled out investigations that prison officers had perjured themselves and allegations of inmate abuse by guards. The new oversight office, still in the planning stages, is expected to have a staff of 20 and be attached to the Office of the Inspector General. The oversight staff would shape investigations, suggest ways to proceed and post findings on a Web site. Funding for the new office is likely to be revealed in the budget revise, due this month.

they don't do anything very efficiently—but one thing you would anticipate is that the medical records would go with them. Forget that they could have a central computer-access file. But assuming you don't have that, you at least need the medical records. I mean the inmate isn't *at* San Quentin anymore. Well, the medical records may not ever get there, or they may get there in two months.

CJ: Did the lack of medical records have anything to do with the CYA suicides?

White: I believe so. There was one suicide which I doubt would have happened if the committing county had sent the medical records with the ward when he was sent to the CYA. Under the law, the CYA doesn't have to take any ward from any county. It has discretion, if there is some reason why it's not appropriate or timely for the inmate to go to that institution. It should exercise that authority without exception, but CYA was taking these wards without their medical records, which put the ward and the CYA at risk.

CJ: Do you have any hope for substantive change?

White: Yes, but it will only come if the Legislature, the public and the governor keep up steady and unremitting pressure. The [legislative] hearings will go away. The legislators who have a particular focus right now will be termed out. Unless the Legislature continues to focus and unless the public, through the media, continues to press for change, it won't happen. ...The problems are so bad, and the promise of fixing them so feeble, in my view, that there has to be some outside force, some public demand for change.

CJ: What do you think of the governor's actions thus far? He eliminated the Office of Inspector General, then admitted that was not such a good idea.

White: He was ill-advised initially. He was advised by people who either were uninformed or not committed to fixing things. There is no case on the merits that can be made not to have the Inspector General, [who is] independent with adequate resources. One of the really sad things about the huge cuts that the Legislature imposed is that we had assembled some of the finest people in the state. We hand-picked talent from all over the state, auditors from the controller's office, special agents from the attorney general's office. They have all these skills, special expertise. And then they become so knowledgeable. This is a body of information that is not easily transferable, that very few people have, and they had it. And now they're in the diaspora, they're all over the place. I'm hopeful the funding will be restored and some of these people can be brought back.

CJ: The litigation that comes out of these revelations of abuse and death must be enormously costly to the state during a dire budget year. How does the Inspector General factor into that equation?

White: Dollar-for-dollar, you can't find anything more cost-effective. You can prevent litigation completely, and when you do have litigation, the IG can save the state money. In one of the large lawsuits filed against the CYA by the Prison Law Office in federal court, they attached one of our audit findings, which were very critical. The court said it was dismissing that part of the lawsuit because the OIG had identified it and was addressing it. [U.S. District Court] Judge Henderson and John Hagar, the special master for the judge, have accepted our findings in ways that reduced the litigation or eliminated the need for litigation in particular areas of the case.

CJ: How would you deal with the budget overruns that regularly occur in Corrections?

White: I testified and recommended in the budget hearings to put the significant players in a room, particularly the Department of Finance and the departments themselves and the subcommittees. And you come out of that room with a real number about how much it costs to run [each prison], a specific appropriation. You give them the amount of money that makes sense from a sensible, classical budgeting perspective, and then you hold them to it. If they can't do it, and many of them can't because they don't know budgeting, they're not going to be wardens anymore.

CJ: Do you have anything to add?

White: If there is an opportunity to get things right in these departments, it's now. These problems go back 20-30 years, and they're much worse now, largely a function of the massive growth of this prison system. Most of our prisons are too big. In most states, the average juvenile facility, which is also a school, would be 80 or 100 kids. In California, we have facilities with hundreds of kids. There are a lot of experts in that area who don't think you can do a good job, because they are simply too big. It's the same dynamic to a different extent with the adult prisons. We have so many prisons. We dwarf the rest of the country.

Sigrid Bathen, a former California Journal *senior editor, is an adjunct professor of journalism at California State University, California, and media director for the state Fair Political Practices Commission. Comments may be sent to* **comments@californiajournal.com**

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Campaign finance *unreform*

By Bill Leonard

My former colleague Assemblyman Darrell Steinberg's musings on campaign finance laws (*CJ*, March 2004) reminds me of the medieval chemists who kept trying to turn lead into gold. With every failure they offer an excuse, but instead of re-examining their assumptions, they blame the experiment. Similarly, Steinberg blames the Supreme Court for the failure of campaign finance laws to reduce campaign spending and the "corrosive influence of money."

The Supreme Court did rule in 1976 that no campaign finance law can prevent candidates from exercising their free speech rights to spend their own resources expressing their message. The Court did not go far enough. It approved laws that prevent you and me from giving our resources to help candidates without restrictions on our free speech rights.

I propose that we repeal all limits on campaign contributions and expenditures.

The result has not been to drive money out of politics, nor has it been to open the process to greater public scrutiny, nor has it made it easier for the challenger to beat the incumbent. Indeed, campaigns are more expensive than ever, expenditures are harder to track and challengers face an even tougher time getting their message to the voters. Almost all campaign money gets spent on postage or air time for television and radio. All of those have become more expensive since 1976 and the money to pay for it — the money Steinberg calls "corrosive" — has gone underground to independent expenditure committees (that are virtually anonymous and unaccountable to the candidate), advocacy committees (that are even further below the radar), and non-profit associations (that discuss policies without politics and gain tax-exempt status). His solution is to outlaw these under the guise of campaign finance reform.

Steinberg argues that these underground activities grew from the *Buckley* decision giving wealthy candidates freedom. He neglects to look at the failure of the law itself. For us non-wealthy candidates, the law forbids us from raising the money we need to reach real voters with our message. Steinberg regards this as a good thing; I regard it as a disaster.

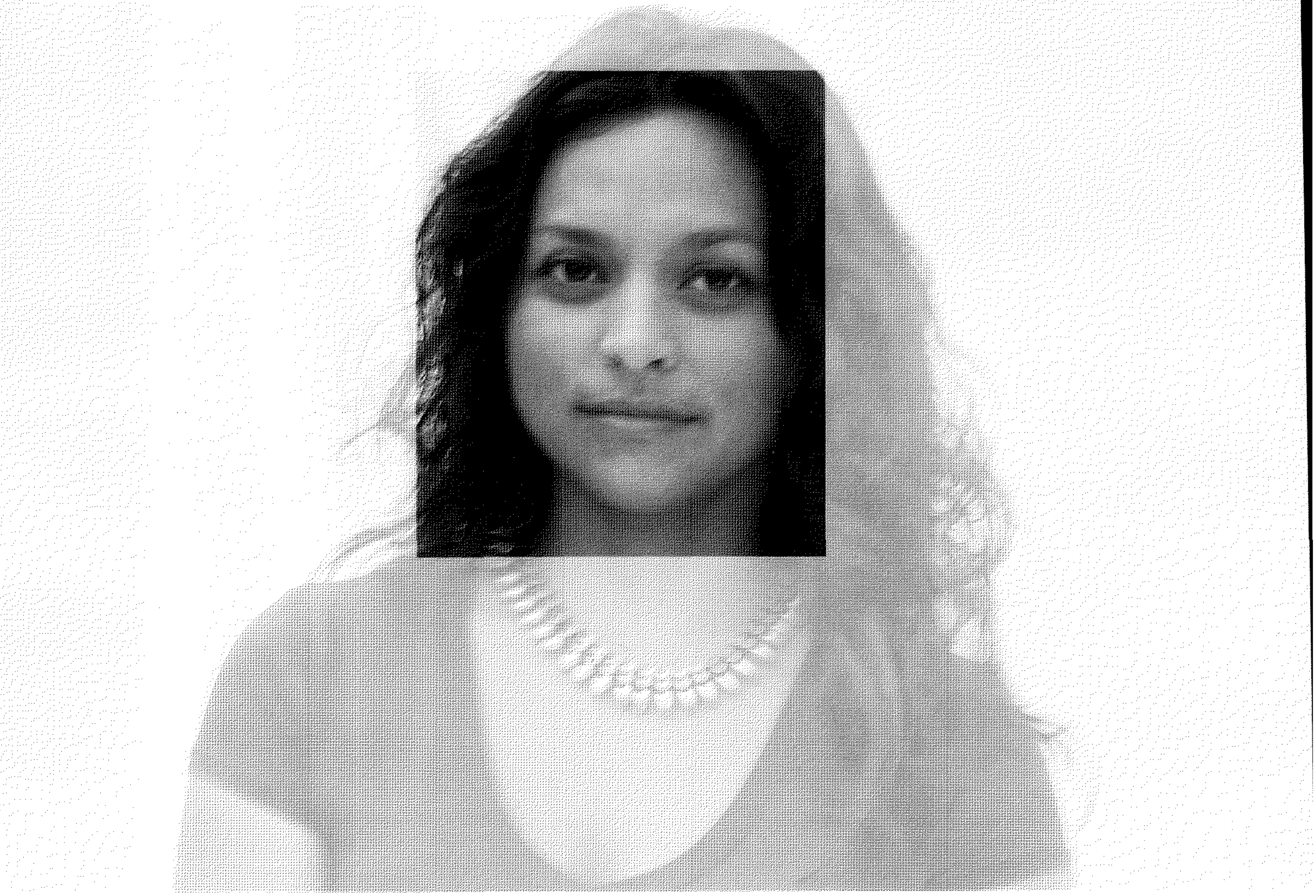
After ending these underground activities by asking the Court to rule that they are not speech protected by the First Amendment, Steinberg would have taxpayers finance campaigns. Ignoring the sustained voter opposition to taxpayer financed campaigns, there still remain the serious issues of affordability in California's budget crisis, treatment of minor party candidates (should every candidate get the same resources?) and handling of candidates whose messages are illegal, racist, discriminatory, or worse.

Consider the research of Professor John J. Coleman of the University of Wisconsin, Madison. His recent work demonstrated that the more money candidates spend, the more knowledgeable voters become about the candidates and the issues. The research looked at voters' knowledge of 20 issues and found that when campaign spending was higher, voters knew more about 18 of those 20 issues. His research found that to be true across the spectrum of voter education, income and other indicators. In fact, voters with lower income and education levels benefit more from campaign spending because they do not have as much access to political information. Increased spending did not increase voter cynicism, did not depress people's view of the efficacy of political involvement and, in most cases, increased public trust.

Now is the time for reform. The failure of the present system is well documented. I propose that we repeal all limits on contributions and expenditures. An instant reporting system is all voters need to judge the support base of a candidate. Further, unless the U.S. Post Office or TV stations offer their services for free, it is clear that not enough money is spent on campaigns.

Pundits complain about voter apathy, but those pundits have access to all the political information. If they really wanted to put themselves in the voters' shoes, the pundits should see how little information is really out there for the average voter. I just had this experience trying to find more information about Superior Court candidates on my ballot. Not only are their campaigns low-profile, but there are no television stories, no radio talks shows and no newspaper articles on these candidates, making it extremely difficult to be an informed voter. I am upset that "reformers" want to further limit my ability as a voter to obtain information about candidates and their positions. It's time to apply the First Amendment freedom of speech to politics, not just to explicit art.

Bill Leonard is a member of the State Board of Equalization and a former Republican legislator from San Bernardino County. Send comments to **comments@californiajournal.com**



My name is Maria. I'm 21 years old and the mother of a 3-year-old daughter. I live with my parents, work at a job that pays $8 an hour, but I have no health insurance. When I have a health issue, I get professional care at my local Planned Parenthood clinic.

So you think that cuts in the rate California pays to Medi-Cal providers won't affect anyone?

Think again.

Provider-rate cuts hurt real people.

California's budget proposal calls for a 10 percent cut in rates paid to family planning providers. But for every $1 the state spends on family planning, California receives $9 in federal matching funds.

Cutting provider rates will translate into reductions in family planning services for more than 200,000 Californians.

Family planning is one of the most cost-effective health care programs the state offers because preventing unintended pregnancies saves California millions in social service costs for the future.

Support full funding for family planning programs.
For Maria. For California.

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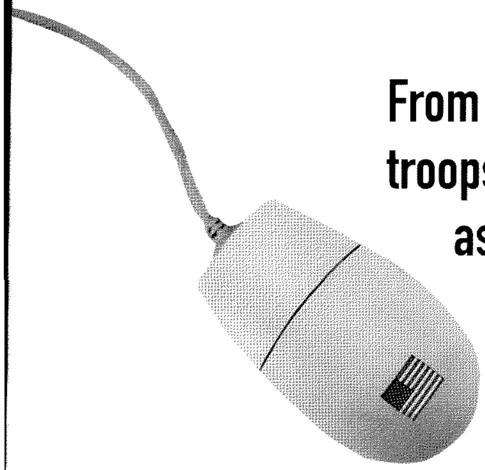
Providing responsible choices through advocacy and political action.

Online campaigning



From raising bushels of campaign dollars to rallying troops of supporters, the Internet has come into its own as a campaign tool — one that's expected to become even more powerful in this year's presidential election.

By Sandy Harrison

In February, nine months before November's presidential election, President George W. Bush and U.S. Senator John Kerry were vigorously bashing each other in ads sent to millions of supporters. Normally, that's considered campaigning as usual.

But what made these attack ads noteworthy is that they were sent via e-mail, the new frontier for political campaigns. The video ads were part of an online campaign strategy by both Bush and Kerry that includes pop-up ads posted on various news and general interest Web sites.

It kicked off what is expected to be an unprecedented level of online campaigning in U.S. election history. From the presidential contest to state and local races nationwide, the Internet will play a greater and more varied role than ever before.

"In some important respects, the Internet has now become the driving force behind innovations in campaigning," concluded the December 2003 report of the Bipartisan California Commission on Internet Political Practices. "It has enabled candidates to reach and mobilize constituencies and to raise funds more efficiently, effectively and inexpensively than ever before."

Californians aren't the only ones studying the Internet's impact. A recent study from George Washington University's Institute for Politics, Democracy & the Internet estimated that 75 percent of Internet users and half of American voters will look for political information online in the 2004 presidential campaign. And in January this year, the Pew Research Center for the People and the Press declared the Internet has gone from being a "relatively minor source" of political news in the 2000 election to become an equal of such traditional outlets as public television broadcasts, Sunday morning news programs and weekly news magazines.

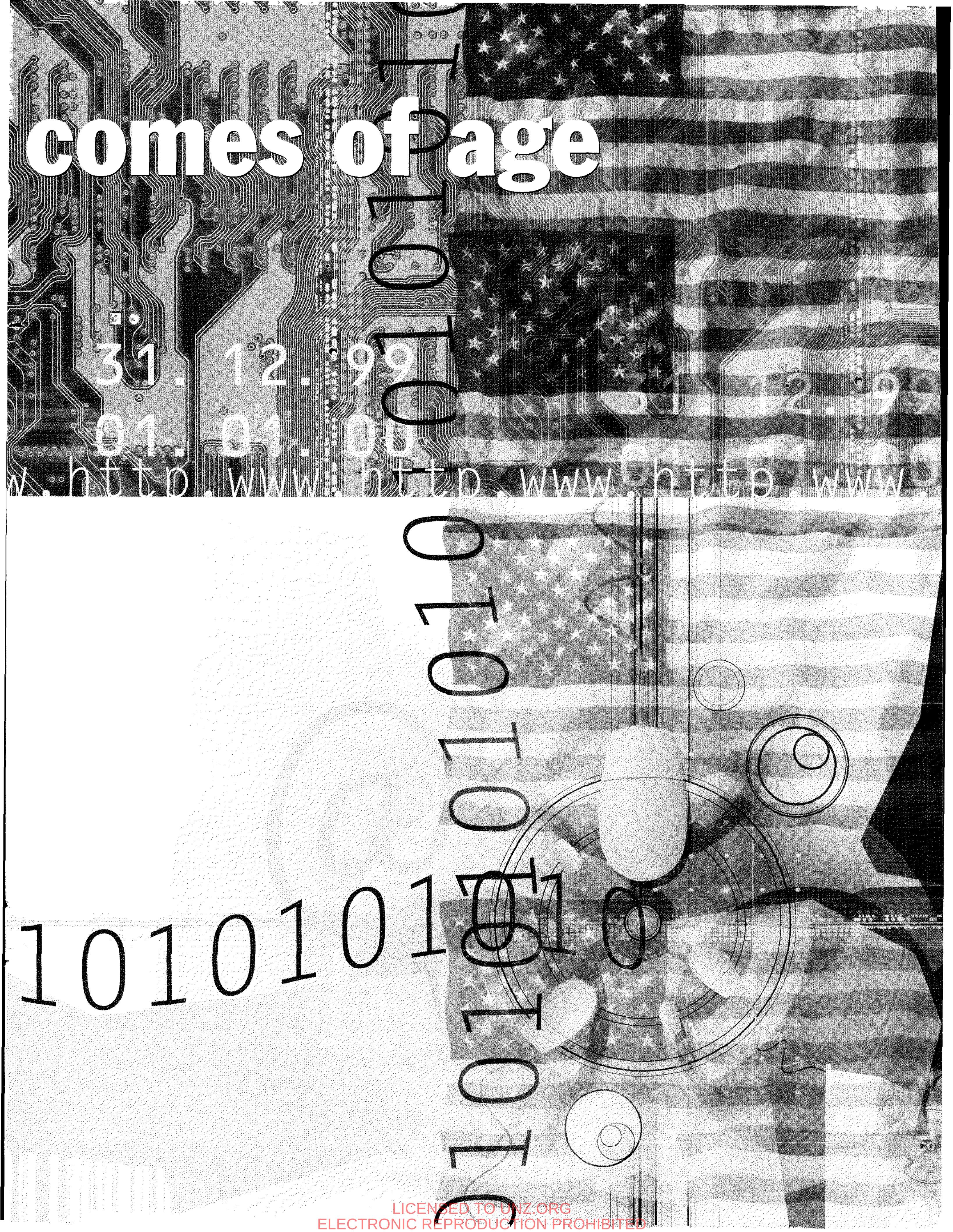
"Online campaigning has come of age with this election cycle," said Sean Treglia, senior policy advisor with USC's Annenberg School of Communications and a consultant to the state's Internet commission. "The political consulting industry understands that there's a lot more to it than just putting up Web sites. For the first time, the Internet is helping with organizing, fund raising, direct mail, media and campaign management. It's going to revolutionize the industry."

The Dean dynamic

Among key events in the Internet's evolution as a political tool: John McCain's 2000 presidential campaign that raised unheard-of amounts of donations online, the successful 2003 recall campaign against California Governor Gray Davis that utilized the Web for disseminating recall petitions and rallying supporters, and the 2004 presidential primary campaign of Howard Dean, dubbed the "Internet rock star" for utilizing the Web to energize tens of thousands of loyal voters and rake in millions of campaign donations online.

In the current presidential campaign, the former Vermont governor gets much of the credit for moving the Internet into the mainstream of political campaigning.

comes of age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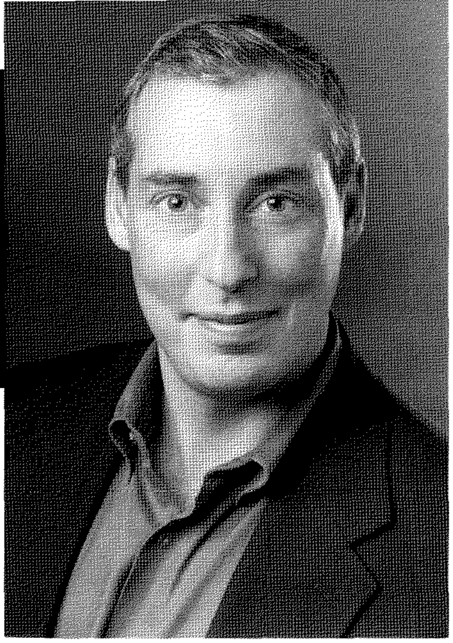
"Most campaigns will use the Internet to rally their own troops, but you won't see efforts to reach out to the undecideds."



GOP consultant Dan Schnur

"There's before Dean and after Dean. Dean made all the difference, he put it all together," Carol Darr, director of the Institute for Politics, Democracy & the Internet, told The Associated Press. "The Internet went from something people saw as bells and whistles and something they had to do to avoid looking old-fashioned to something they really wanted to do — both to raise money and organize volunteers," she said.

The growth of the Internet as a campaign tool is illustrated by a steady increase in the number of campaign-related Web sites, according to Kim Alexander, president of the California Voter Foundation (CVF). In California's March 2004 primary, CVF located Web sites for 263, or 48 percent, of the 544 statewide, congressional, legislative and ballot measure campaigns. That's a marked increase from the 2002 primary, when 30 percent of campaigns had Web sites, and the 2000 presidential primary, when 37 percent had Web sites.

This year, California's top-of-the-ticket campaigns were nearly all online, with 19 of 21 presidential candidates and 14 of 15 U.S. Senate candidates hosting Web sites, along with 59 percent of House candidates, 57 percent of state Senate candidates and 32 percent of Assembly hopefuls.

In the past decade, Alexander said, visits to CVF's Web site around election time have increased more than tenfold, from about 30,000 page views during the 1994 primary, to 350,000 this year in the March primary.

"Anyone who is a political activist is using the Internet," she said. "It's empowering people who want to shape the debate to do so more effectively."

Alexander cited the current debate over gay marriage in California and elsewhere as an example. "It's a hot button issue with passion on all sides, and all sides are using the Internet to rally their supporters," she said.

Politically related Internet use will increase dramatically as Election Day nears, Alexander added. "We had an enormous spike in our Web site on Election Day and the night before Election Day," she said. "It tells me that people are waiting until the last minute, then going online and getting information."

Additionally, those who seek out political information from the Internet aren't typical voters, but informed and influential voters whose opinions frequently affect those of others,.

"The number of voters who go online for information are not a huge portion of the electorate, but they are the type who will disseminate what they find to others," Alexander said. "It's called 'informing the informers.' This highly engaged sector will use the Internet to get themselves informed, and then pass along their findings to others."

A new breed of political citizen

Alexander's views are supported by the February 2004 George Washington University study, which profiled those who seek political information from the Internet, calling them "online political citizens."

"A new community of citizens online is defining the 2004 presidential campaign," the study said. "These citizens are Internet-oriented and politically energized, and they support their candidates by visiting their Web sites, joining Internet discussion groups, reading political Web logs and making political contributions over the Internet. Even before the first primary, they played a pivotal role in the campaign, and they may be harbingers of permanent change in American politics."

They are, the study said, "a small group of highly politically involved citizens whose influence, we believe, stretches far beyond their numbers. They are disproportionately influential and highly communicative." These so-called online political citizens are younger, wealthier and better educated than most voters, disproportionately male and white, and more likely to be Democrats, possibly due to the explosion of Internet use during this year's competitive Democratic presidential primary season, the study said.

"The key activity for them is e-mail — getting and sending it — but they also do lots of other political activities online. A few of these activities, such as using political discussion groups or Web logs, are things that few other people do," it added.

Political consultants in California say that, at this point in its evolution, the Internet is more valuable for organizing than persuading, and more important in national or statewide campaigns than in local races.

"We've gotten good at using the Internet as a motivational and organizational device. What we haven't figured how to do is turn it into a mechanism for persuasion," said Republican campaign consultant Dan Schnur.

"Most campaigns will use the Internet to rally their own troops, but you won't see efforts to reach out to the undecideds," Schnur said. "Both parties find it a much more efficient use of time and resources to target our own bases. Base voters are more likely to vote, and more likely to vote for your candidate. Targeting undecided voters is much more difficult."

That difficulty stems from getting an undecided voter to care enough to view political messages on the Internet, a trickier proposition than getting a television viewer to watch a political commercial.

"The Internet is a proactive medium," Schnur said. "With television, you have to make a proactive decision to *not* watch the commercial. But with the Internet, you have to make an active decision to click, to participate. Base voters of each party are much more likely to do that than undecideds."

Packaging the message

Candidates and their consultants, however, are exploring ways to solve that problem. "One way is to play political announcements on non-political sites," said Schnur, "such as targeting hunting and fishing sites for messages about gun ownership, or messages on choice or the environment to sites geared to younger single females."

Another tactic is getting supporters to send political e-mails to personal friends and acquaintances. U.S. Senator Barbara Boxer's campaign Web page, for example, asks supporters to forward Boxer's campaign email message to 10 friends.

"If an average person sees an e-mail that is obviously from a political campaign, they're likely to hit 'delete'," Schnur said. "But if it's from a friend, they're probably going to open it. So both parties are encouraging supporters to forward their political e-mails to friends."

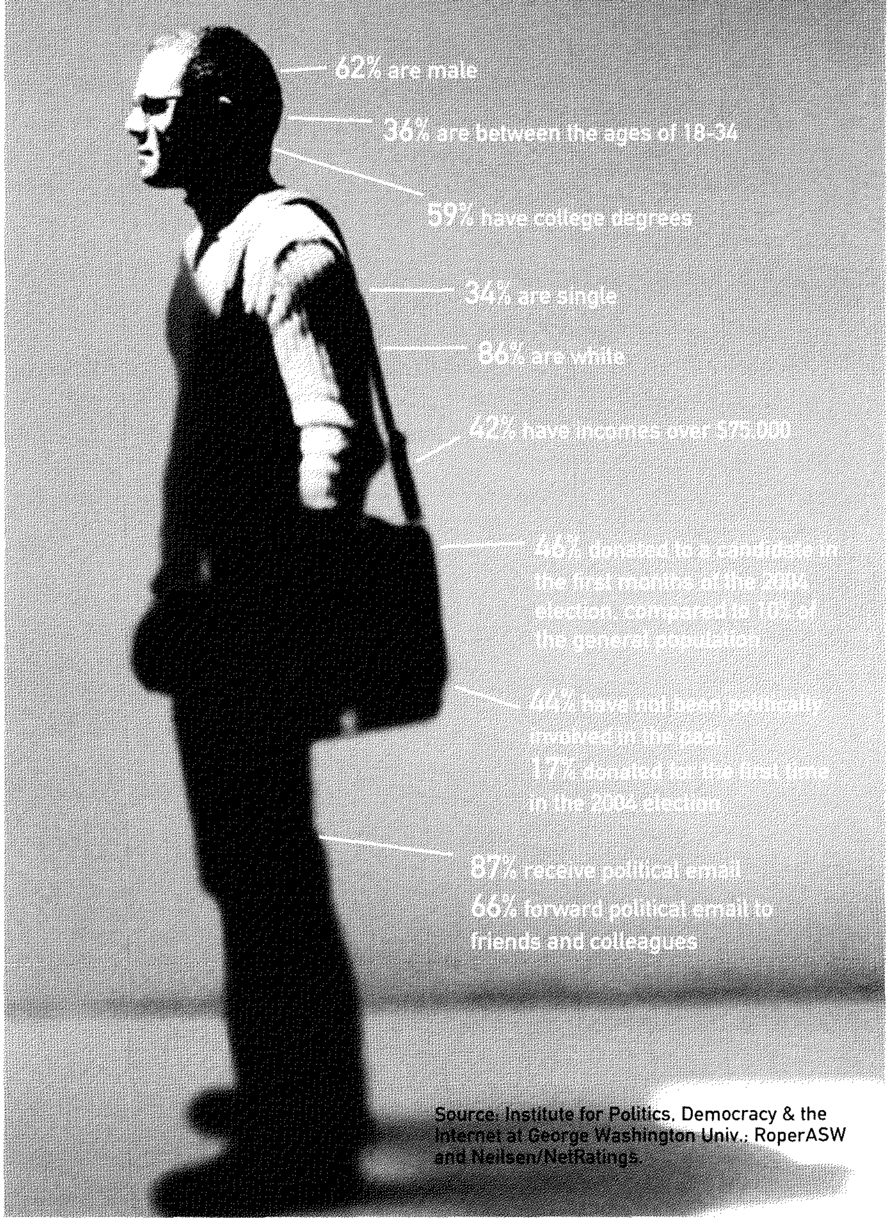
Consultants are also grappling — so far unsuccessfully — with ways to make the Internet a more effective tool in local and legislative races.

"For a number of years, we've been acutely aware that it is an extraordinarily powerful tool for the political process," said Democratic consultant Darry Sragow, an expert in Assembly races. "We still have to rely heavily on direct mail, and in rural areas, local television. At this point, we really have no idea how to make it significant in local races," he said, noted that the Internet is global in nature and local races aren't about

A new breed of political player

They're called "Online Political Citizens" and they're a force to be reckoned with. According to a recent study by George Washington University in Washington, D.C., there's a new community of citizens online who are playing an influential role in politics, particularly the 2004 presidential race.

According to the survey, these so-called "OPCs" are "not isolated cyber-geeks" but informed citizens whose opinions are influential among their colleagues, friends and family. By virtue of their ability to communicate online, they are considered to wield influence to a rapidly expanding audience.



Source: Institute for Politics, Democracy & the Internet at George Washington Univ.; RoperASW and Neilsen/NetRatings.

> "The political consulting industry understands that there's a lot more to it than just putting up Web sites. The Internet is ... going to revolutionize the industry."

Sean Treglia, consultant to CA's Commission on Internet Political Practices

global issues.

That's largely because consultants don't yet have the databases for e-mail that they have for direct mail, Sragow said. "When you send mail, you know a lot about the person you are sending it to — gender, age, income level. With an e-mail address you have no idea. You don't have the database to make it useful," he said.

But consultants hope that day will come, Sragow added. "When we figure that out, the Internet will have two huge advantages: immediacy and cost," he said. "It hasn't jelled yet. At some point it probably will, because it's increasingly difficult to communicate the way we normally do," he added, citing consumer complaints about the growing flood of campaign-related phone calls and junk mail.

"Every two years we keep saying something's going to explode," Sragow said. "We're still waiting."

But the Internet has already clearly become a hugely successful political organizing and fund-raising tool, noted USC's Treglia. "You can use online communications to shore up your support. Once a person gives money, that person is more likely to continue giving money. And once a person contributes a small amount, you know you've got that vote. It's a way to lock up voters early," he said.

Internet fund raising has the added bonus of being extraordinarily cost-effective, he said. "Before, getting that $20 contribution might have cost you $19, and now it might cost [only] $2."

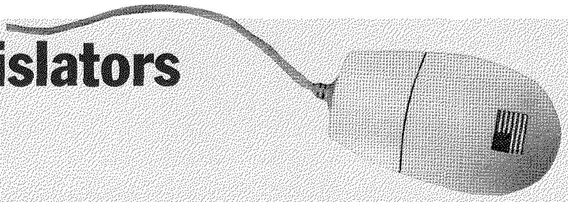
The state's report on Internet political practices, which Treglia helped prepare, reads like the bipartisan document it is, acknowledging potential problems from the growth in Internet campaigning, but urging a conservative approach to regulation.

"The Commission believes that the regulatory cure may often be worse than the disease, and that Internet campaigning is a field in which problems, while real, will be largely self-correcting if given the time to play out naturally," the report stated.

In essence, said Treglia, "what we want to do is encourage democratic grass-roots activism and involvement, while discouraging the bad apples from using the Internet to exploit loopholes in campaign finance laws. We need to address that, but we need to be real careful we don't go too far and chill free speech on the Internet."

Sandy Harrison is a freelance writer from Sacramento and a former reporter for the Los Angles Daily News. *He has served as communications director for several public officials, including state Senator John Burton and state Controller Steve Westly. Send comments to* **comments@californiajournal.com**

State Legislators Are Wired



Admittedly a light sampling, a recent poll of legislators and their staffers conducted in Washington, D. C., found the nation's lawmakers are more wired than expected. The survey of 87 legislators and 33 staffers was conducted last December at a National Conference of State Legislatures meeting.

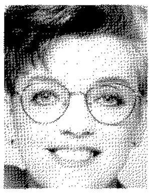
According to its findings, state legislators are plugged in:
- 96% of America's legislators personally use a computer.
- 97% receive and read e-mail from constituents.
- 96% receive e-mails from lobbyists and interest groups.
- 94% respond to e-mails.
- 88% use the Internet to research issues or policy
- 81% read their state's newspaper online.
- 55% prefer e-mail contact from constituents, compared to a personal visit (52%) or phone call (63%).
- 15% say they turn to the Internet first for information on an unfamiliar issue or policy, rather than industry lobbyists (9%), policy think tanks (5%), or party leadership (2%).

And how many say they turn to the media or their governor's office for information? 0%

Source: FrederickPolls of Arlington, VA., and Voter Consumer Research Inc.,a Republican polling firm.

On shaky ground: L.A.'s mayor at risk?

by Sherry Bebitch Jeffe



Less than a year before Los Angeles' next municipal election, incumbent Mayor James K. Hahn could be vulnerable. Several potential opponents are watching in the wings to determine whether he can be taken. Let's examine what may threaten Mayor Hahn's tenure.

Hahn's critics have accused the mayor of weak leadership; he's been unable to accomplish key initiatives, like his plan to modernize LAX airport and his promise to beef up the police department, LAPD. Hahn also has been criticized for his failure to intervene effectively in last year's five-week transit strike or in the five-month grocery workers' strike.

Hahn's supporters argue that the mayor did what he could to protect programs in the face of a faltering economy, shrinking state and federal resources and a projected $300 million budget deficit for FY 2004-2005. Hahn has revamped an ineffective LAPD administration; he fired controversial Police Chief Bernard Parks and brought in former New York City Police Commissioner William Bratton to replace him. Hahn also led the successful campaign against San Fernando Valley and Hollywood secession.

> Hahn has found his administration under increasing legal and political scrutiny.

Nevertheless, the perception of inaction dogs Hahn. However, it's not his biggest problem. Oversight of Los Angeles' approximately 35 departments and bureaus is provided by advisory or controlling boards or commissions, whose citizen members are appointed by the mayor subject to L.A. City Council confirmation but who can be terminated by the mayor alone.

Hahn has found his administration under increasing legal and political scrutiny because of questions raised concerning the contracting practices of the city's three most powerful departments: Airports, Harbor and Water and Power.

Last November, the Los Angeles County District Attorney's Office opened an inquiry into allegations that LAX contractors were pressured by Airport Commission President Ted Stein to give contributions to Hahn's successful anti-secession drive and the mayor's re-election campaign. Stein, who resigned last month, has denied the allegations. And Hahn has supported his airport commissioners.

Then in December, Los Angeles City Controller Laura Chick released the results of a routine audit of airport contracts. Noting "concerns about potential conflict of interest, fraud, misuse of power and inappropriate award of contracts," as well as speculation about "a pay-to-play environment in the City of Los Angeles," Chick asked local, state and federal law enforcement agencies to investigate "potential illegal acts."

In the wake of Chick's audit and increasing media focus, the L.A. County District Attorney and the U.S. Attorney's Office launched investigations into whether campaign contributions procured city contracts. And in March, D.A. Steve Cooley announced a grand jury probe of fund raising by members of Hahn's administration.

In the throes of this burgeoning crisis, four deputy mayors, about one third of Hahn's senior staff, resigned within four weeks. They included Troy Edwards, a prolific fund raiser in Hahn's 2001 campaign who joined the mayor's staff as his liaison with the city's airports, harbor and water/power departments.

Hahn first resisted calls by the city council and media for sweeping ethics reform but then joined the push with a series of proposals aimed at eliminating fund raising by city commissioners and prohibiting contributions from city contractors and lobbyists. Hahn also signed a city council-approved ban on fund raising by commissioners.

Despite the drama unfolding in L.A.'s City Hall, whether Hahn's re-election is in jeopardy depends on the answers to several questions:

What will be the ultimate resolution of the corruption investigations? If criminal charges, indictments or convictions are a part of the mix, there's real danger for Hahn. If not — Hahn dodged an early bullet.

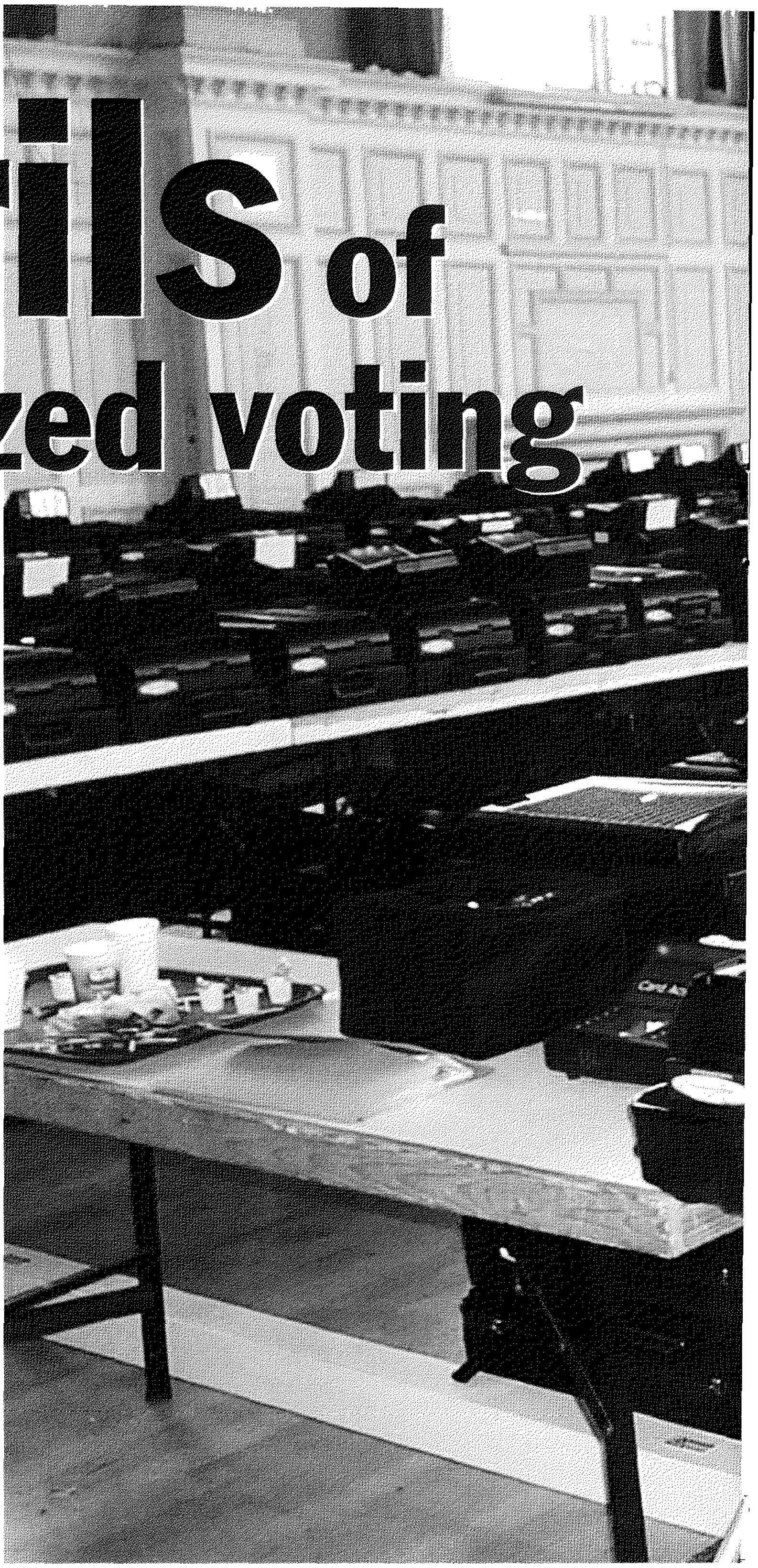
Will Hahn be able to reconstruct his 2001 winning coalition of San Fernando Valley Anglo and black voters? That will depend on the mix of opponents. The line has begun to form, but the final card is not yet drawn. Will Hahn's opponents, whoever they might be, overcome Hahn's roughly $1.3 million lead in campaign fund raising? Will an economic boost rescue Hahn's budget priorities? Will the Dodgers win the World Series? (That one's a toughie.)

Stay tuned for the next installment of "As the City Turns."

Sherry Bebitch Jeffe is a senior scholar at USC's School of Policy, Planning and Development. Send comments to **comments@californiajournal.com**

Analysis

The perils of computerized voting



The March primary provided harrowing examples of what can go wrong when high-tech voting systems are grafted onto a low-tech election system — particularly when there is no paper trail to verify the accuracy of results. With a presidential election looming in November, it may be time to slow the pace of "progress."

By Kim Alexander,
California Voter Foundation

As the presidential election draws near, many voters in California and across the nation are already wondering if a fair count is possible. Unfortunately, their concerns are well-founded. The United States is poised to issue 25 percent of its ballots this November on paperless, computerized voting systems, which produce results that cannot be verified.

In California, the percentage of electronic ballots is even higher; 40 percent of California voters reside in counties that use voting systems that cannot be audited. The computerized voting systems used in California and throughout the country are paperless — the machines do not produce a paper record of the voter's ballot that the voter can inspect and verify before leaving the polls. Without this paper audit trail, there is no way to verify that the final vote count is accurate. The software that runs these voting systems is proprietary. In essence, we have outsourced elections and handed the "keys to the kingdom" to a handful of private companies.

A walk through the life of an electronic ballot shows just how perfectly everything must work in a typical computerized voting system for the final results to be accurate.

What California's electoral future may look like: A polling place in a London, England, suburb, using all touch-screen voting machines, 5/02. Photo credit: www.sequoiavote.com

First, the voter casts a ballot on a computerized voting machine, which must correctly record and store that electronic ballot. All the machines are connected together at the end of the voting day and the ballots are transferred into one machine, where they are stored onto a cartridge. Poll workers return the cartridges to a vote collection center where they are downloaded. Next the electronic ballots are transferred to the central counting center at the county election office, where they are tabulated using vote counting software. The tabulated data is then used to generate reports of election results.

Each of these steps must be glitch-free and perfectly programmed. Every electronic ballot must be protected. If an electronic ballot is lost or altered, it would be difficult to

DIEBOLD
Previous
Next

A Diebold touch-screen voting machine like those used in the March 2004 election in San Diego County.

As March 2 demonstrated, putting
a 19th-century process is a recipe for
has low-tech polling places, staffed
training, the election system will

detect and impossible to determine what the correct ballot should be. And even if everything appears to go perfectly, we still can't verify the results.

Computerized voting in California has hardly been glitch-free. Thousands of California voters were disenfranchised in the March 2 primary due to technical problems with computerized voting systems.

In Alameda County, problems with "smart card" encoders impacted 186 of the county's 763 polling places, preventing voters from casting ballots on touch screens during part of the day. In San Diego County, smart card encoder problems impacted 573 of the county's 1,611 polling places. In Orange County, thousands of voters were given the wrong electronic ballots; many were unable to cast votes in contests for which they were eligible, while others were allowed to vote in districts in which they did not reside.

While the voting problems in Orange, Alameda and San Diego counties garnered the most attention in the weeks following the election, many other counties that use computerized voting systems also had their share of problems:

- In San Bernardino County, officials waited three hours for their new Sequoia vote-counting computer to process election results before shutting down the computer and starting over.
- In San Joaquin County, a public radio reporter who selected a polling place at random to interview voters using the county's new Diebold touch-screen voting system arrived to find voters standing around, unable to vote because the machine being used to program smart cards was inoperable.
- In Merced County, ES&S machines that had been delivered to one city had been programmed with the ballots of another.

Three counties that use touch screens in polling places have also encountered recent problems getting their paper absentee ballots correctly counted:

- In Napa County, officials discovered that their Sequoia optical scanners had not been properly calibrated to detect the various types of inks with which primary ballots were marked.
- In San Diego, Diebold's software attributed several thousand votes cast on absentee paper ballots for Democratic presidential primary candidate John Kerry to his rival Dick Gephardt. Votes in the U.S. Senate Republican primary were also miscounted.
- Last October, in the state's recall election, Alameda discovered that Diebold's optical scan software attributed thousands of votes to a Socialist recall candidate — votes that should have gone to Democrat Cruz Bustamante.

These miscounts were discovered because the counties were able to compare the paper absentee ballots to the software-counted results. When the numbers didn't add up, the counties were able to troubleshoot, diagnose and correct the vote-counting problems. Absentee ballots typically account for around 25 percent of a county's total vote. For the remaining 75 percent of the ballots that were cast on electronic voting machines, there is no audit trail that registrars can use to verify the accuracy of the software vote count.

Officials from Alameda, San Diego and Napa were quick to assure the public that while they experienced vote-counting problems with their paper absentee ballots, the vote count for their electronic ballots was accurate. But in truth, they really can't be sure and have no way to prove it because they have no paper record of electronic ballots to verify the accuracy of the software-counted electronic votes.

Whether such vote-counting errors are accidental glitches or intentional efforts to tamper with election results is unknown. What is known is that glitches have and will continue to occur in elections, regardless of what voting system is used.

Some registrars are concerned that printing a paper record of electronic ballots at polling places will cause difficulties for poll workers who might have to deal with paper jams and malfunctioning printers. But poll workers already must deal with malfunctioning machines and smart card encoders. It's a mistake to think the state can put high-tech equipment into low-tech polling places in

21st-century equipment into disaster. As long as the state by volunteers with limited require low-tech voting systems.

Voting in Beverly Hills with touch-screen machines in the March 2004 election.

the first place.

Polling places are located in garages, churches, fire stations — locations that don't always have an adequate power supply or provide security for machines delivered several days prior to the election and, in some cases, left behind for days after.

As March 2 demonstrated, putting 21st-century equipment into a 19th-century process is a recipe for disaster. As long as the state has low-tech polling places, staffed by volunteers with limited training, the election system will require low-tech voting systems. The risks of electronic voting have become more widely apparent during the last year.

The question now is: What will California and other states do about it?

California Secretary of State Kevin Shelley was the first state election chief in the nation to announce last November that he will require a voter-verified paper audit trail for all electronic ballots by 2006. In the months following his announcement, the secretaries of state from Nevada, Washington and Missouri followed his lead. Legislation to require a voter-verified paper trail is pending in many states and in Congress.

In California, state Senators Don Perata (D-Oakland), who chairs the Senate Elections Committee, and Ross Johnson (R-Irvine), the committee's vice-chair, have introduced SB 1438, which would require a voter-verified paper trail by 2005. In response to the widespread problems voters experienced on March 2, Perata and Johnson have also introduced SB 1723, which would decertify paperless electronic voting machines and prevent their use this November.

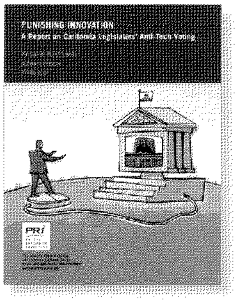
Shelley also is considering decertification. Prior to the March primary, Shelley's office was already investigating Diebold after learning that some counties used uncertified versions of Diebold's software in the October 7, 2003, recall election. Preliminary results from the investigation revealed that all 17 counties using Diebold voting equipment were using uncertified — and in three counties, untested — versions of software during the October and November elections.

If the secretary of state or the California Legislature act to prohibit paperless electronic voting in California this November, the 14 counties that purchased these systems have other alternatives. All 14 purchased and are using paper-based optical-scan systems to facilitate absentee voting. Expanding the use of these voting systems is simply a matter of printing more ballots. No additional equipment needs to be purchased and fielded in polling places for an optical-scan system — all that is needed are paper ballots.

PRI
PACIFIC RESEARCH INSTITUTE

California: High-Tech Friend or Foe?

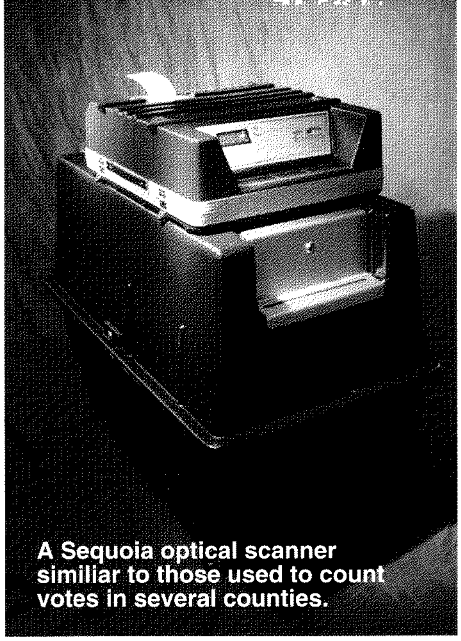
A new PRI report shows that the state's lawmakers are hindering high-tech innovation with harmful legislation. The report analyzes the 10 most anti-tech bills from the 2001-02 legislative session and reveals the least tech-friendly lawmakers.



Punishing Innovation: A Report on California Legislators' Anti-Technology Voting

By Cathy Baker
& Sonia Arrison

Download a free copy from **http://www.pacificresearch.org/pub/sab/techno/2004/04_Punish-Innovation.pdf** or call the Pacific Research Institute at 800.276.7600.



A Sequoia optical scanner similiar to those used to count votes in several counties.

Though optical-scan voting systems are far more secure, transparent and economical than electronic systems, the paper-based systems are under attack by disability rights groups who have sued four California counties that use optical scan systems. These groups want touch screens because the machines allow disabled and sight-impaired voters to cast a secret ballot without assistance.

Although the federal "Help America Vote Act" requires one device in each polling place by 2006 that provides disabled voters the ability to vote independently and in private, advocacy groups for the disabled in California and elsewhere are trying to pressure states and counties through litigation to act sooner than the federal law requires. Groups that advocate for the rights of minority language voters also are pushing for touch screens because they can be programmed to display ballots in multiple languages.

These are important advantages, but they should not come at the expense of security, nor should they have to because California can have modern voting systems that are both accessible and secure. Shelley has already introduced draft standards for an accessible voter-verified paper trail, and it's possible that some of the existing touch screens can be retrofitted with the paper trail in time for November. Two vendors — Avante and Accupoll — have already gained federal approval for touch screen systems that provide a voter-verified paper trail. Sequoia's new paper trail feature is currently under review by federal testing authorities. ES&S recently obtained the rights to market a voting device that enables sight-impaired voters to cast a secret ballot on a paper-based, optical scan system.

These are encouraging developments. But if these options aren't ready by November, the safest thing California can do is put touch screens away until they produce results that can be verified.

Kim Alexander is president and founder of the nonprofit, nonpartisan California Voter Foundation online at www.calvoter.org. Send comments to **comments@californiajournal.com**

California Journal's best-selling publications...

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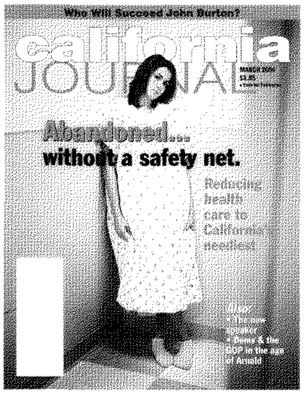
What's a libertarian?

In her article, "Are Democrats Going Up In Smoke?" [March 2004] Sherry Bebitch Jeffe refers to "California's libertarian philosophy" and [states] that the Democrats must "reach out to independent voters" who "tend to be fiscally conservative and socially libertarian." Similarly, Lou Cannon refers to "the libertarian leanings of a majority of Californians." I have not seen such references in earlier *Journal* articles or in other media publications. Exactly what do these authors have in mind by these references?

Lance Widman
Professor, Political Science
El Camino College, Torrance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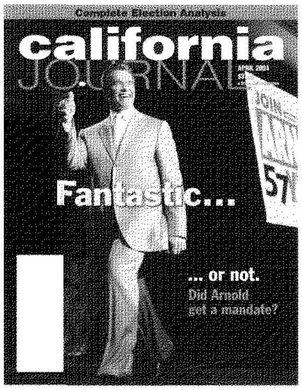
Reducing health care to California's neediest



Not-so-crabby Vasco

In your article on the effects of term limits ["Big Shoes to Fill", March 2004], you refer to outgoing Senator John Vasconcellos as "once a star lawmaker but now a crabby, impatient 38-year veteran of the Legislature." This is an unfair characterization of this man's legacy and misrepresents the void that will be left in his absence.

I have observed Senator Vasconcellos for over 13 years. What you didn't mention is that he has deep integrity, honesty and empathy — qualities that are lacking in too many elected leaders. He is also one of the most insightful and intelligent individuals I have ever met. Senator Vasconcellos exemplifies someone who is passionate about issues of justice and an ardent advocate for people who are disenfranchised or simply ignored by our society.

During his nearly four decades in the Legislature, Senator Vasconcellos has remained a messenger of hope and a person of vision. Even when others viewed such hopefulness as impossible to achieve, this man demonstrated that people could overcome seemingly insurmountable goals and realize "life's possibilities."

In regards to your "crabby" reference, as my well-worn bumper sticker reads: "If you're not outraged, you're not paying attention."

David Hawkins
Fair Oaks

CYA: Walking the line

I have been a rank-and-file employee of the CYA for more than 16 years. Like my fellow correctional peace officers, I'm tired of all the negative publicity aimed at the CYA. Yes, there are problems in the CYA.

The biggest problem hampering rehabilitation efforts are the violent, aggressive and defiant adult wards, who are at least 18 and as old as 24. I have worked with some of the most violent, complex and hardened adult wards in the history of our state. I have sustained four ward-related injuries — requiring surgery once. Many of these wards are hardened gang members who care more about violence and their gang agendas than rehabilitation. Some are eager to impress and obtain respect from their peers by attacking staff or another ward and graduating to state prison.

All too often, these violent and defiant wards have exhausted their confinement time and cannot be given additional time. Unless, of course, they commit a new crime. Knowing this, it is common for these "maxed out" wards to act out and derail rehabilitation efforts.

It's costing taxpayers at least $50,000 annually to house each ward. Why is the state wasting millions of taxpayers' hard-earned money on adult wards who don't care about turning their lives around? This is especially wrong when state coffers are empty.

Legislation must be passed to make it easier to transfer wards who don't belong in the CYA to state prison, where the annual cost of housing an inmate is about $25,000. I urge our legislators to author overdue legislation to get the aforementioned wards to state prison.

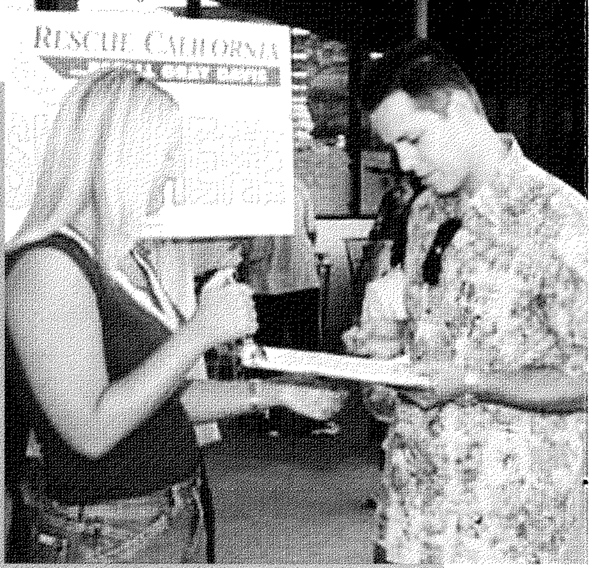
Jose Gonzalez
Stockton

Corrections

Several sharp-eyed readers recently brought to our attention errors in our April 2004 issue.

In our post-election analysis ["Arnold's Victory Lap"], we incorrectly stated that San Diego Mayor Dick Murphy won re-election against a pair of challengers. In fact, Murphy faced three challengers and received only 40 percent of the vote, which means he'll be back on the November ballot in a run-off election. And in our "Homeless in California" story on the governor's mansion, a photo caption incorrectly stated that the Texas governor's mansion was the "former home of two future presidents named Bush." As we should have known, only one President Bush — George W. — was governor of Texas.

Initiatives in the making



What follows is a list and brief summary of initiative petitions in circulation for the November 2004 ballot. Several initiatives--on workers' compensation, tribal gaming compacts and mandatory preschool — were recently withdrawn by their proponents in the wake of changes in the political climate that made their signature-gathering drives either pointless or impossible.

Initiatives require 373,816 signatures to qualify for the ballot; constitutional amendments require 598,105 signatures. The date that signatures must be submitted to the Secretary of State is included below, along with the name and contact number of proponents, where available. Full text of each proposal is available on the Secretary of State's Web site at www.ss.ca.gov/elections.

Campaign Finance. Repeals Prop. 34 campaign contribution limits (2000) and enacts lower limits, plus introduces public campaign financing funded by tax on California oil. Statute. April 16. Proponent: Arianna Huffington, (310) 576-1233.

Sex Offenders. Imposes new penalties and public-disclosure regulations regarding sex offenders. Statute. April 19. Proponents: Assms. Dennis Hollingsworth and Jay La Seur, (916) 337-2102.

Public Benefits, Illegal Immigrants. Bans state or local public benefits to any alien classified as ineligible under federal law and requires those who provide benefits to verify the legal status of applicants. Constitutional amendment. April 29. Proponent: Ron Prince, (714) 899-9631.

Alternative Schools. Sets up an optional, alternative school system, funded with public money but regulated by Dept. of Consumer Affairs rather than Dept. of Education. Constitutional amendment. May 17. Proponent: Richard Ackerman, (909) 308-6454.

Abortion, parental notification. Requires that parents be notified before an abortion is performed on a minor. Constitutional amendment. May 17. Proponents: Rosemarie Avila and Mary Vogelzang, (916) 442-7757.

Traffic Violations, School Zones. Allows cities and counties to increase penalties for traffic violations near schools. Statute. May 21. Proponent: Glen Wetzel.

King James Bible as Textbook. Permits the use of the King James Bible as a textbook for voluntary study of the Bible as literature. Constitutional amendment. May 24. Proponent: Matt McLaughlin, info@kingjamestextbook.com.

Stem Cell Research. Establishes an institute to regulate and fund stem cell research, financed through general-obligation bonds. Constitutional amendment and statute. May 28. Proponents: Roberta Johansen and James Harrison, (323) 468-3391.

Reapportionment. Takes reapportionment out of the Legislature and vests it in a panel of retired judges who must consider proposals from a variety of sources. Constitutional amendment. June 1. Proponent: Ted Costa, (916) 482-6175.

Right to Keep and Bear Arms. Adds right to keep and bear arms to the California Constitution and pre-empts any county, city or local ordinance to the contrary. Constitutional amendment. June 18. Proponent: Donald Kilmer, (408) 998-8489.

Tribal Gaming Compacts. Non-tribal Gambling Expansion. Authorizes the governor to renegotiate tribal-state compacts to require that tribes pay certain revenue to the state, comply with certain state laws and accept state court jurisdiction. Allows non-tribal gambling businesses to operate slot machines if tribes do not comply. Constitutional amendment and statute. June 24. Proponents: L.A. Co. Sheriff Lee Baca and Sacramento Co. Sheriff Lou Blanas, (925) 283-0581.

State Teachers' Retirement. Allows teachers to retire at age 55 if they meet certain requirements. Statute. June 28. Proponent: Ann Reid.

DNA Samples. Collection. Requires that DNA samples be taken from all felons, and from all adults and juveniles arrested for certain crimes. Statute. July 2. Proponent: Bruce Harrington, (916) 442-7757.

Local Funds and Revenues. Requires a two-thirds vote of the Legislature and voter approval before certain revenues to local governments can be reduced. Constitutional amendment. July 5. Proponents: Steven Szalay, Christopher McKenzie and Catherine Smith, (916) 446-6752.

State Electoral Districts. San Francisco Bay Area Regional Authority Board. Establishes new criteria for defining state legislative, congressional and other election districts by dividing state into 53 large districts. Also establishes SF Bay Area regional authority to replace the Metropolitan Transportation Commission. Constitutional amendment. July 5. Proponent: Nancy Cross, (510) 793-3396.

Unicameral Legislature. Creates a one-house, unicameral legislature of 100 members, elected for two-year terms without term limits. Constitutional amendment. July 12. Proponent: James Bouskos, (559) 999-4800.

Casino Gambling. Barstow and Oakland. Establishes legalized casino gambling in Barstow and Oakland as a 28-year pilot program, with a limit of 12 facilities in each city. Constitutional amendment. July 12. Proponent: Robert W. Wilson.

Legislative Voting. Campaign Disclosure. Denies salary and per diem for legislators who are eligible to vote but fail to do so. Requires Legislative Counsel to maintain online record of legislators' failure to vote. Requires online calendar of fund raising events by legislators and statewide officeholders and disclosure, within 24 hours, of all contributions of $1,000 or more. Statute. July 12. Proponent: Carmen Balber, (310) 392-0522.

Abortion. Parental Notification. Prohibits an abortion from being performed on a minor until 48 hours after a physician notifies the minor's parents or legal guardian, or 24 hours after a parent or guardian waives notification in writing. Constitutional amendment. July 19. Proponents: Paul and Barbara Laubacher, (916) 381-5222.

Privacy. Prohibits businesses from disclosing certain information about consumers and allows victims of identity theft to recover treble damages. Also bans telemarketing calls from 5 p.m. until 8 a.m. (There are seven such initiatives in circulation, all by the same proponent.) Statute. July 23 or July 24. Proponent: James Wheaton, (510) 208-4554.

Tribal Gaming Compacts. Requires governor to offer renewable, 99-year gaming compacts to federally recognized tribes that provide exclusive gaming rights on Indian land and no limits on the number and types of gaming machines and games. Tribes would contribute revenue to the state based on a percentage of net tribal income and prevailing state corporate tax rate. Constitutional amendment and statute. August 9. Proponents: Richard Milanovich, (310) 576-1233, and Gene Raper (760) 778-7413.

State and Local Appropriations Limit. Eliminates local government appropriations limit and amends state appropriations limit to apply to spending from all sources of money. Tinkers with Prop. 98 funding for schools. Constitutional amendment and statute. August 13. Proponents: Jon Coupal, (916) 444-9950; California Taxpayers' Assn., (916) 930-3102; and Assm. John Campbell, (916) 319-2979.

Local Government Revenue. Replaces the vehicle license fee with a larger share of property taxes as primary funding source for local government. Sets up a school-assistance fund for each county, funded by VLF allocations. Two similar measures are in circulation. Constitutional amendment and statute. August 20, September 2. Proponent: John Ramirez, (714) 641-5100.

School Vouchers. Authorizes state-funded scholarships for children who attend under-performing schools so they may enroll in eligible nonpublic schools. Constitutional amendment. September 7. Proponent: Stanley Harper, (213) 624-6200.

Children's Human Rights. Creates an annual school holiday dedicated to children and requires the governor to send a message to all U.S. school children. Statute. September 13. Proponent: Miguel Vega, (909) 889-3147.

Public Benefits. Eligibility. Provides that no person can be denied a state or local public benefit — such as education, housing or welfare — if he or she proves payment of at least one state, federal or local tax bill and is otherwise eligible for the benefit. Constitutional amendment. September 13. Proponent: Hector Alvarado, (323) 312-0505.

Send your comments or new initiative information to **comments@californiajournal.com**

The hydrogen high

George W. Bush and Arnold Schwarzenegger both see hydrogen fuels as vital element of the nation's energy future. But they differ on the type of hydrogen — "black" or "green." Meanwhile, some critics warn that the use of hydrogen is inherently risky.

By Peter Asmus

H
HYDROGEN FUEL AHEAD

The idea of a global hydrogen economy is hardly new. Jules Verne declared water "to be the coal of the future" back in the 1870s, and a decade later William Grove was already experimenting with primitive fuel cell technologies that run on hydrogen.

But suddenly the most powerful corporations in the world are involved: General Electric, DuPont, Dow, British Petroleum, Shell, General Motors and all of the major car companies. Even the Bush administration has pledged more than $1 billion for hydrogen over the next five years.

Governor Arnold Schwarzenegger intensified the international debate over hydrogen after he picked one of the state's leading hydrogen advocates — Terry Tamminen — to head the California Environmental Protection Agency. As executive director of Environment Now, Tamminen pushed state legislation that now serves as the centerpiece of the new governor's environmental platform on hydrogen. It boasts that California will feature the nation's first "hydrogen highways" with 200 fuel stations by 2010.

Yet all hydrogen is not created equal, and therein lies a conundrum for those who want to use hydrogen to clean up the environment. Although hydrogen is everywhere, it rarely exists as a free-floating element. It needs to be extracted from either water or hydrocarbons. The Bush administration is tilting toward "black" hydrogen, which would be created from fossil and nuclear fuels. In contrast, the Schwarzenegger administration's hydrogen scenarios seem to focus more on "green" hydrogen, which would be derived from renewable energy sources such as the sun, wind and biomass wastes.

Isn't hydrogen a bit exotic for a state Republican administration that seems fixated on cutting — not expanding — government's reach into our lives?

way

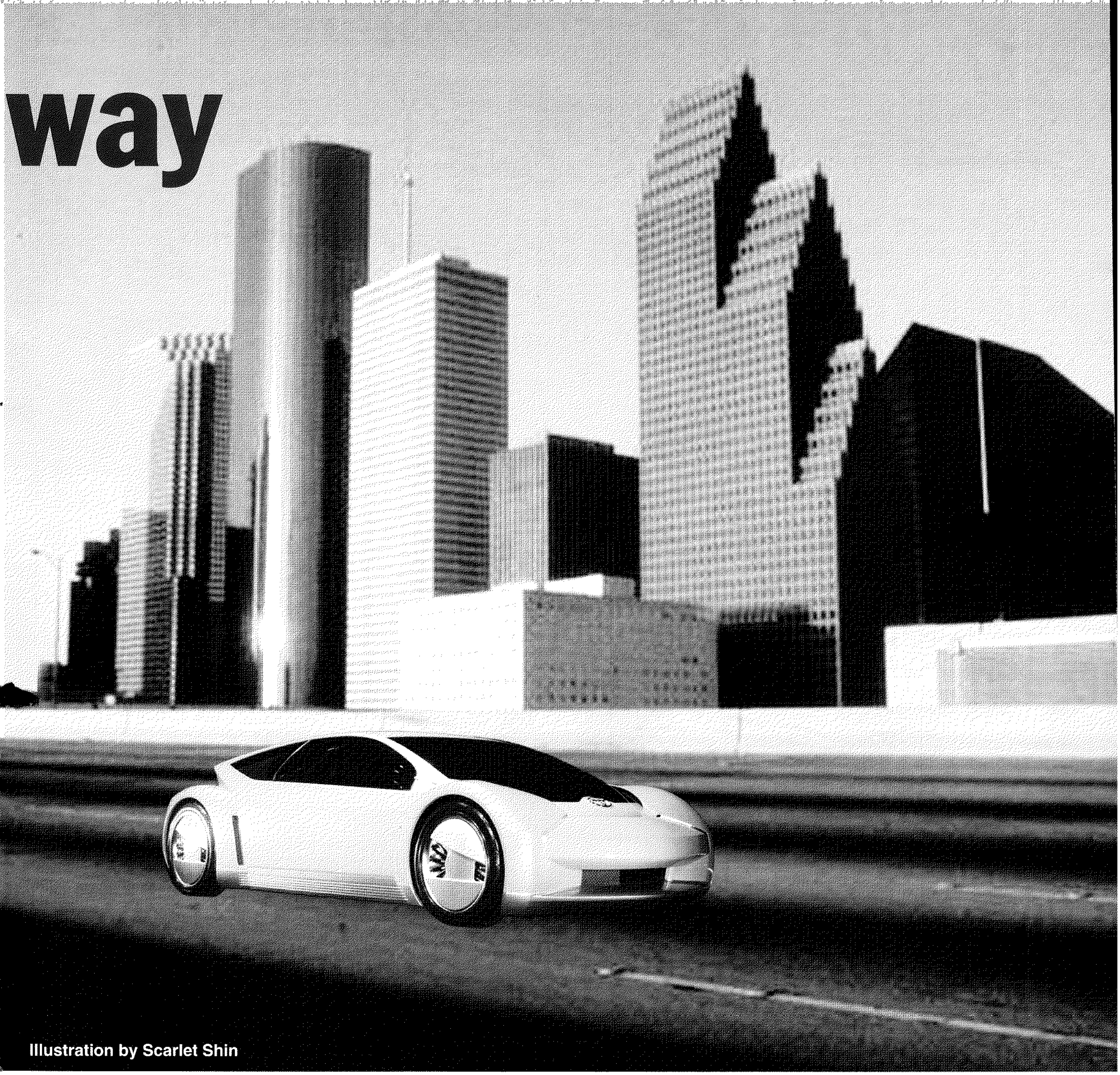


Illustration by Scarlet Shin

"The governor keeps his campaign promises," was Tamminen's response when asked about Schwarzenegger's hydrogen initiative, which calls for hydrogen-fueling stations every 20 miles on each of the state's 21 major interstate highways. "State government can help put what I call the 'puzzle pieces' together," he continued, elaborating on the key elements expected in the governor's hydrogen plan. "We can provide the human capital and gather the technical data to develop safety codes and standards, as well as develop some ground rules for local governments to ensure that they have valid safety plans in place."

California isn't alone. Other states have put some generous subsidies on the table, including Ohio and Michigan. Most recently, Connecticut state lawmakers approved a $1 billion package of incentives over the next 10 years. Even Texas, the heart of the nation's fossil fuel industry, is gung ho on hydrogen. This past February, General Motors announced the largest hydrogen fuel cell transaction in the world, selling 250 of its prototype 75 kW fuel cells to Dow Chemical Company's facility in Texas. The largest chemical plant in the world was looking for ways to make the most of hydrogen, a byproduct of its chemical processes.

Texas Governor Rick Perry boasted that the GM-Dow deal allowed the Lone Star state to take a national lead on hydrogen fuel cells.

A new "Silicon Valley"?

According to Tamminen, the hydrogen industry is looking for a state "to become the next Silicon Valley of hydrogen." Jobs hang in the balance. Yet there is a more parochial concern in California.

"We need to reduce California's air pollution by 50 percent by 2010 or we will be facing some significant fines for non-attainment with federal air quality standards," said Tamminen. "The beauty of hydrogen is that it can come from so many sources. The wasted electricity and waste sewage from Los Angeles County alone could produce enough hydrogen to fuel 100,000 cars."

But the ability to create hydrogen from so many diverse fuels worries some folks, among them Joe Romm, a physicist who worked on developing fuel cell technologies under the Clinton administration. Romm, author of a new book, "The Hype About Hydrogen," did not mince words about what he sees as a hydrogen conspiracy.

"The Bush administration is essentially designating hydrogen as the silver bullet to our air pollution problems. Since the hydrogen economy won't be here for 10 to 15 years, we don't have to do anything about global warming between now and then," said Romm. "It is not the easiest, nor the cheapest way to gain near-term air pollution benefits or to wean us off foreign sources of oil."

It took wind and solar technologies 20 years to drop ten-fold in price, reductions inspired in large part by California's energy policies. Fuel cells are still 100 times more expensive than the old-fashioned internal combustion engine.

"We need major technological breakthroughs, and whole new materials, for hydrogen to make sense for consumers," Romm warned. From his point of view, introducing a hydrogen car before 2030 would actually "undermine efforts to reduce greenhouse gases contributing to global climate change." Why? Hydrogen will only penetrate the transportation sector in significant numbers after 2035. He also cautioned that hydrogen was "the most dangerous of all fuels" and could be a boon to terrorists.

Romm is not alone in his critique of hydrogen. Many environmentalists claim the federal Bush administration is pushing a "black hydrogen" agenda based on traditional energy sources such as nuclear and coal, not the clean renewable energy fuels that have long been envisioned as the feedstock for the hydrogen economy.

Electrics vs. fuel cells

California's tough air quality laws, and zero-emission vehicle regulations, have created a testing ground for hydrogen fuel cell technology today, much like the Golden State served as the laboratory for renewable energy technologies in the 1980s. The California Air Resources Board (CARB) is driving this market for zero-emission vehicles with its tough mandate for zero emission cars in the smoggy Los Angeles basin.

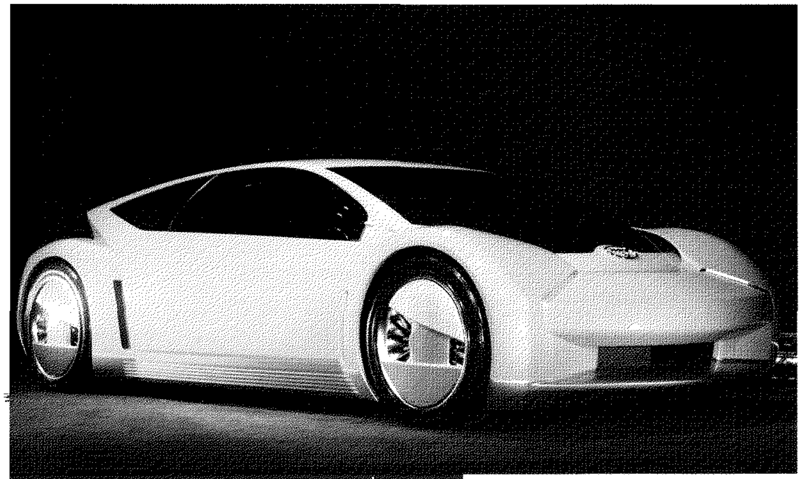
The CARB's emphasis on hydrogen fuel cell vehicles has its fair share of critics. Analogies are often made between these Fuel Cell Vehicles (FCV) and Electric Vehicles (EV), which failed to grab the hearts, minds and pocketbooks of Southern Californians a decade ago.

"There is a big difference between EVs and FCVs," argued Alan Lloyd, CARB executive director. "All of the auto companies — and I mean all — are seeing a potential to get real fuel cell and hydrogen vehicles on the road as soon as possible."

As the first car company to deliver a commercial electric car to the California market, it was GM that gambled, and lost, on EVs. But every major car company is involved with the Fuel Cell Partnership Program, which has been based in West Sacramento since 1999, noted Lloyd. While collaborating on fuel cell design issues, the auto companies are also operating under different time frames with different final hydrogen product packages.

Even if CARB's regional air quality mandates are met with hydrogen-power cars and trucks, questions remain as to whether the global environment will reap the full clean air potential of hydrogen because of the differences between "black" and "green" hydrogen.

"In California, hydrogen has become a metaphor for a long-range vision," commented V. John White, a lobbyist active in clean energy issues for more than a decade. "California is offering an alternative to the Bush administration's dire and dirty future hydrogen scenarios. There is an emphasis on green hydrogen from the



Ford's Model U features a supercharged hydrogen combustion engine and hybrid transmission (left). A Toyota fuel-cell/hybrid-electric vehicle (above). Photos: Rebecca Cook, Reuters, 1/2003.

very beginning, rather than as an afterthought."

Most car companies claim to be agnostic when it comes to hydrogen fuels. Their top reason for investigating hydrogen rests on the simple fact that only 12 percent of the world's population owns a motor vehicle. The only way that car companies can build market share is to invent super-clean cars.

Interestingly enough, it is GM that is taking the biggest gamble — again. GM has fought against the state's air quality mandates for years, earning a reputation as being a bad environmental actor. But GM dropped a longstanding lawsuit against CARB last fall. At the same time, GM announced it had committed itself to being the first car company to put a million fuel cell vehicles on the road.

"We want to completely reinvent automobiles and, in doing so, reinvent the auto industry." These bold words come from Larry Burns, the man credited with convincing GM to go with hydrogen. As GM's research and development manager, Burns proudly points out that hydrogen currently gets more support than any other category in GM's research and development program.

According to Burns, a significant advantage for hydrogen fuel cells is that they enable revolutionary designs like GM's Hy-wire concept car. Hy-wire contains the fuel cell and other vehicle systems within a "skateboard" chassis topped by a body that can be easily interchanged. Thus, the skateboard could provide the same basic architecture for many types of vehicles — sedans, trucks and sport utilities — keeping development and manufacturing costs down, Burns said. He added that a vehicle like Hy-wire could also be upgraded through software rather than by hardware changes.

"If you could get better acceleration, safety, styling and versatility with a fuel cell car and it is as affordable as or even more affordable than today's cars, wouldn't you want to buy one?" asked Burns.

Still, there is the matter of volume. According to Burns, "The only way fuel cell vehicles matter is if they sell in high volumes. ... So we need to reach very high levels of sales to make a real difference in reducing petroleum consumption and addressing environmental challenges."

Skeptics point to the hybrid car, which can run on gasoline and electricity. With this configuration, the much-maligned internal combustion engine has become far cleaner than anyone would have guessed a decade or so ago. "GM made a strategic mistake ceding the hybrid platform to its top competitor, Toyota. By the time GM's fuel cell cars roll out, I predict Toyota will be the world's No.1 automaker," said Romm.

Toyota already has over 100,000 gas-electric hybrids on the road, a technology that some consider a stepping-stone to hydrogen vehicles. GM has no

Fork in the Road

The "California Promise" of an accessible and affordable higher education available to anyone who has the desire and will to learn is at a fork in the road. A recent state report found that 175,000 students were turned away from community colleges last fall because of course reductions and fee increases. This fall, thousands more will find the doors closed to our colleges and universities, unless the Governor and legislature provide sufficient funds to keep the doors open.

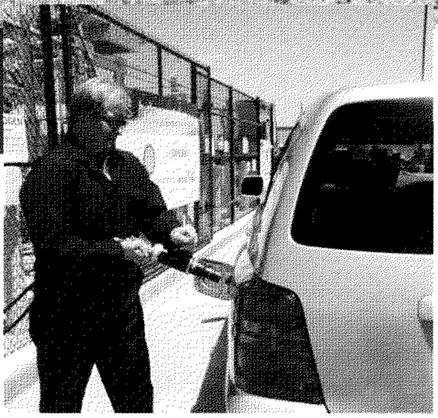
For more information about what Californians are saying about the choice lawmakers will be making, visit: **www.keepthedoorsopen.org**.

California Community Colleges

Keeping the doors open since 1910.

A message from the Community College League of California.

commercial hybrid vehicles on the road today; Honda has commercial hybrids on the road and has introduced a fuel-cell vehicle, two of which are currently operating in San Francisco.



GM's new Hy-Wire fuel-celled car (above). Filling the tank at a hydrogen fueling station (right).

Where do we go from here?

To many of California's long-time hydrogen backers, today's debate over hydrogen is both exhilarating and a bit frustrating. "We need to get some private capital involved to make things happen. In essence, we need to let greed rule," commented Alvin Duskin, a California wind power pioneer.

His comments reflect a view that shaped Governor Jerry Brown's program for jump-starting the global wind power industry through lucrative tax breaks and other incentives years ago. Duskin maintains that a $1 per kilogram national subsidy for hydrogen (or $1 tax per gallon of gasoline) would enable large-scale wind farms at America's best wind sites in the Great Plains to generate hydrogen cost-effectively. Duskin also argues that the federal government should mimic what the Schwarzenegger administration has proposed for California, and create a national hydrogen highway program.

Radical environmental activist Randy Hayes, who recently helped Duskin launch a national "green" hydrogen campaign dubbed "The Conversion Project," sees cities being the early adopters, ordering fleets of first-generation hydrogen fuel cell vehicles. The San Francisco Board of Supervisors has already declared San Francisco a "Hydrogen City" and has plans on the drawing boards for three hydrogen fueling stations and solar, wind and tidal power pilot projects that could generate the electricity to create hydrogen.

But Peter Schwartz, executive director of Oakland-based Global Business Network, believes nuclear and more traditional sources of power will have to play a role in the hydrogen economy. "Silly" is the word he used to describe those believing that our future hydrogen fuel can be derived solely from renewable energy sources. He predicts natural gas, a fuel already in tight supply, will be the dominant source of hydrogen over the next 10 or 15 years. "Few people realize that a small hydrogen economy already exists," he said. "Hydrogen is used in refineries and is a byproduct of several plastic and food production processes. In the near-term, hydrogen will be extracted at refiners, gas pumping stations and chemical plants."

Schwartz sees a role for both California and the U.S. on hydrogen. "I think it is great that the Bush administration is putting some money into expanding the hydrogen program. California is creating the market, and also doing its share of R&D. They seem to be playing in overlapping playgrounds. That being said, California could not be doing much more, whereas the feds could be doing much, much more."

According to Bill Shireman, CEO of Future 500, a San Francisco-based organization that builds collaborations between corporate players and environmentalists, California could indeed shape the nation's hydrogen economy by tilting toward renewable energy sources that are so abundant in the Golden State.

"What's interesting about the battle over hydrogen and fuel cells is that it has the potential to draw together long-time adversaries," said Shireman. "It meets environmentalist demands for zero-emission cars. It also aligns with the 10-year objectives of the biggest auto companies. It would represent a breakthrough achievement for the new Schwarzenegger administration."

Will Schwarzenegger embrace California's legacy of pushing renewable energy, or will he bow to the Bush administration's fossil fuel and nuclear power approach? Hanging in the balance could be the fate of the world's biggest corporations, President Bush's environmental legacy, as well as the young political career of Schwarzenegger. But more important, the unfolding of the hydrogen economy in California could help determine whether the industrialized world can really save the planet through vehicles running on water vapor.

Peter Asmus is the author of several books, including "Reaping The Wind: How Mechanical Wizards, Visionaries and Profiteers Helped Shape our Energy Future" and "Reinventing Electric Utilities: Competition, Citizen Action and Clean Power." Send comments to **comments@californiajournal.com**

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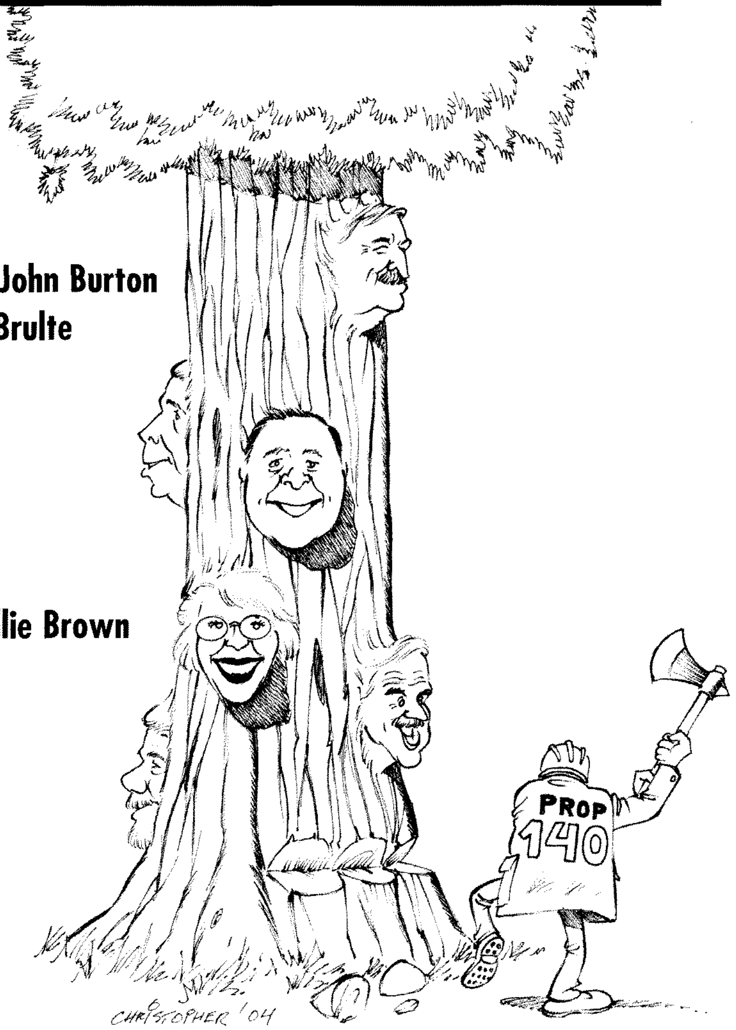

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WHEN
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7:30pm - Dinner
8:30pm - Program

HOW MUCH
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Appointment:

Hostess with the mostest

Charlotte Mailliard Shultz has been named the state's new Chief of Protocol, the same post she held under seven San Francisco mayors, including former Mayor Willie Brown Jr. Shultz, whose previous job duties entailed hosting Pope John Paul, England's Queen Elizabeth, Russia's Mikhail Gorbachev and France's Francois Mitterand, will work with the governor and First Lady Maria Shriver to "host foreign dignitaries, promote international trade and business and cross-cultural understanding." Shultz, the wife of former Secretary of State George P. Shultz, is taking no pay as protocol chief and will head a foundation to raise private funds for entertaining foreign and famous dignitaries. In one of her first duties, she and Shriver took a hard-hat tour of the former Stanford Mansion, the 1856 home of California's eighth governor, Leland Stanford. The mansion, nearing completion of a $17 million restoration, will become the state's official reception site for visiting dignitaries.

Charlotte Mailliard Shultz (r) with Arnold Schwarzenegger and Willie Brown Jr.

Administration

Among Gov. Arnold Schwarzenegger's recent round of appointments: Democrat **Ruth Coleman**, who was Gov. Gray Davis' director of Dept. of Parks and Recreation, was re-appointed to her $123,200 post, as was the department's deputy director of communications, **Roy Stearns**. ... **Cynthia Simon**, wife of former gubernatorial candidate William Simon and parent of an autistic child, was appointed to the state Council on Developmental Disabilities. ... Lobbyist and former legislator **Patrick Johnston** was appointed to the CA Bay-Delta Authority. ... **Evelyn Marie Matteucci**, a former deputy attorney general, was appointed general counsel and deputy secretary, State and Consumer Services Agency ($118,000). ... **Mark DeSio,** former Dept. of Alcoholic Beverage Control chief of communications, was named deputy director, external affairs, state Dept. of Transportation ($93,800). ... **Ron Diedrich** will become director of the Office of Administrative Hearings, Dept. of General Services ($121,000). ... **Robert Glazier** was appointed deputy secretary for legislation and public affairs, Dept. of Veterans Affairs ($103,000). ...**Craig Wilson**, former president of Telcor Instruments, Inc., was appointed deputy secretary for policy and planning, State and Consumer Services Agency ($110,000). ...**Charlene Zettel,** former San Diego lawmaker who served two terms in the Assembly, was appointed director, Dept. of Consumer Affairs ($123,300). ... **Billie Greer,** founder/president of Greer/Dailey/Minter, a public relations and lobbying firm, has been appointed to head the governor's Los Angeles office ($118,000). ... **Lucinda Ehnes**, division manager of self-funded health plans at CalPERS, was appointed director, Dept. of Managed Healthcare ($123,300). ... **Happy Chastain** was re-appointed deputy secretary for legislation, State and Consumer Services Agency ($106,900). ... In the Business, Transportation and Housing Agency, **Curt Augustine** was appointed deputy secretary for legislation ($98,500) and **Patrick Dorinson**, former Mirant Corp. public relations director, was appointed deputy secretary of communications ($103,000). ...**James Spagnole** was promoted to Director of the Office of Military Base Retention and Reuse ($123,200), succeeding Major General (Ret.)**William Jefferds,** who will serve as Special Advisor ($96,800). ... Two California Youth Authority officials were appointed to Dept. of Corrections posts: **George Kostyrko** was named senior information officer ($92,600) and **J.P. Tremblay** becomes assistant director of communications ($96,800). ... Newly appointed members of the state Park & Recreation Commission are **Gail Kautz,** Ironstone Winery vice president, and **Sophia Delia Scherman**, mayor of Elk Grove. The governor re-appointed **Robert Sargent Shriver,** president of RSS Inc. and brother of the First Lady. All parks commission posts are unpaid. ... **Silvia Huerta Garcia** was appointed Chief Deputy Director, Dept. of Youth Authority ($118,284). Garcia was acting regional administrator, Dept. of Corrections. ... **Edward G. Heidig,** a Sacramento attorney, has been appointed Director of the Office of

Ruth Coleman

Charlene Zettel

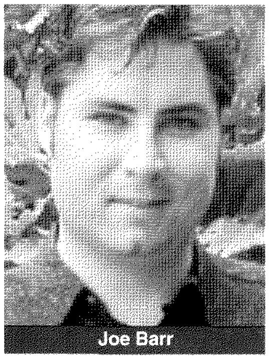
Administrative Law ($123,200), the same post he held under former Gov. Pete Wilson.

Legislature

In a musical chairs game, **Tim Rosales**, former chief of staff to Assm. George Plescia, is back in the Capitol as chief of staff to Assm. Ken Maddox. He replaces **Mark Reeder**, who was named legislative director for Sen. Jim Battin, replacing **Flo Kahn**, who's now policy director for Assm. GOP leader Kevin McCarthy. ... **Peter deMarco**, former Assembly GOP Caucus communications director under Assm. Dave Cox, stepped down when his boss did. He's now communications director for Cox, who is running for a state Senate seat.

Other

Jason Kinney, former communications adviser to Gov. Gray Davis and a political public relations strategist, has been named to lead the Northern California public affairs practice at Burson-Marsteller. ... **Bill Stall**, a longtime *Los Angeles Times* reporter and editorial writer, recently scooped up a Pulitzer Prize for his editorials analyzing the state budget crises and "legislative paralysis" that led to California's 2003 gubernatorial recall. ... The *Sacramento Bee* has added a new reporter to its Capitol Bureau: **Clea Benson** of the *Philadelphia Inquirer*. ... Sacramento's Capital Public Radio, home of National Public Radio, promoted **Joe Barr** to news director and plans to launch a daily local talk show, "Insight", covering news, politics and the arts, to be headed by former news director **Jeffrey Callison**. ... Former Gov. **George Deukmejian** was appointed by UC President Robert Dynes to chair a task force examining how UC campuses handle cadavers donated for research, following a UCLA scandal involving illegal sale of cadaver body parts. ... **Marty Wilson** and **Beth Miller,** GOP political and public affairs veterans, have opened Wilson-Miller Communications, Inc., focused on corporate communications, crisis management and political campaign strategy. Wilson is a key strategist to Gov. Schwarzenegger's. Miller was chief assistant secretary of state to former Secretary of State Bill Jones. ... **Michael Mattoch,** former chief consultant and counsel to the Assm. Insurance Committee, has partnered with Sacramento lobbyist **John Norwood** to form Norwood & Mattoch, formerly Norwood & Associates. Joining the partnership is **Peter Conlin,** legal counsel to former Assm. Speaker Curt Pringle and the Senate Republican Caucus. ... **Sandra Vargas,** former staffer to Sen. Denise Moreno Ducheny, has signed on as a lobbyist for Strategic Education Services. ... **Connie Sanders Emerson** and **Kara Howard-Drobny** have formed a new political fundraising and event management firm, CK Consulting. ... Attorney General Bill Lockyer named veteran deputy AG **Herschel Elkins** to a newly created position, special assistant AG for consumer policy, coordination and development.


Joe Barr

Academia:

Starr power

Two prominent "stars" are heading to Southern California academia: Kevin Starr, noted author and historian, recently stepped down after 10 years as California State Librarian. Starr was declared "state librarian emeritus" by Gov. Arnold Schwarzenegger. Author of six books in his "Americans and the California Dream" series, Starr plans to devote himself to writing and teaching history at University of Southern California.

Kevin Starr

Ken Starr

And there's Kenneth W. Starr, the former independent counsel who investigated President Bill Clinton and First Lady Hillary Rodham Clinton in the Whitewater scandal, who will become law school dean at Pepperdine University in Malibu. Starr initially was appointed to the post in 1997 but relinquished his seat when his investigation of the Clintons became all-consuming.

These pages are prepared with substantial help from ***"The Capitol Morning Report,"*** *a comprehensive daily e-mail and fax listing of events, appointments, staff changes, lobbyist registrations and fund raisers in and around Sacramento. For more information, call (916) 443-5883.*

Who's filling what jobs in your office? Drop us a line at **people@californiajournal.com.**

George and Arnold: Not a buddy act yet

By Marc Sandalow

There are many bonds between the world's most powerful politician and its most famous. Pres. George W. Bush and Gov. Arnold Schwarzenegger are members of the same party, made fortunes in business, bristle at government regulations and rail against taxes. Each won election late in their professional careers, possess supernatural people skills and speak English as if it were a second language.

They also have much to offer the other.

Bush is engaged in a close campaign for reelection. A smidgen of Schwarzenegger's political mojo, or his help winning California.

Schwarzenegger must find a way to close a $14 billion budget gap. A few bones from the White House could be the difference between draconian, tar-and-feather-the-governor cuts and a few, more orderly stopgap measures. So in this election year, it would seem natural for Bush and Schwarzenegger to be together publicly reveling in the GOP good times and privately plotting even better times to come.

For now, the distance between Washington and Sacramento appears as far apart as ever.

Yet it hasn't happened. The president and the governor rarely speak. They've had exactly one private, substantive meeting since Schwarzenegger was elected. On Bush's latest campaign swing through the state in March, Schwarzenegger joined him at a single, closed-press event in Los Angeles. Republican aides didn't release a photograph of the pair.

As much as Bush is delighted to have a Republican governor in California, and Schwarzenegger is delighted to have a party-mate in the White House, each appears tentative about appearing too close. For all the good that each could do for the other, a close association carries great risk.

The risk is especially apparent for Schwarzenegger, who enjoys unprecedented popularity among Democrats. A February poll by the Public Policy Institute of California found that more California Democrats approve of Schwarzenegger's performance than disapprove (44% to 32%). Independents like Schwarzenegger even more than does the public at large (58% to 24%).

Asked about Bush, the respondents provided remarkably different results. Democrats said they disapproved of Bush's job performance by a 3-to-1 ratio. Only 4-in-10 independents said they approved. Asked whom they would vote for in November, more than 8-in-10 Democrats and 6-in-10 independents said they would vote against Bush.

It's no surprise that Schwarzenegger has been reluctant to stand at Bush's side. I live in a Democratic neighborhood just outside Washington, D.C., where for 16 years Connie Morella won elections as a moderate, pro-choice, pro-gun control, socially moderate Republican. In the summer before the 2002 election, desperate for campaign cash, Morella held a fund raiser with Bush. The picture of the two, standing arm and arm, appeared on the front page of *The Washington Post*. Morella was voted out of office that November.

Schwarzenegger has governed from the center, as many thought Bush would do. He has stuck to his fiscally conservative convictions while making appointments on matters like the environment that might just have easily come from a Democrat. For now, he has convinced Californians that he is above party politics. To stand beside a president, who for many Democrats embodies all that they dislike about the Republican Party, would risk hurling him into the same snake pit that California Republicans have been fighting to escape for a decade.

On the president's side, the risk may stem in part from being eclipsed by Schwarzenegger's huge profile.

"We both married well. We both have trouble with the English language. We both have big biceps. Well, two out of three," Bush quipped at a recent White House dinner for the nation's governors.

Yet behind the jokes is the sobering reality that when Republican donors lined up for pictures at a recent National Governor's Association dinner, there were as many people in line to be photographed with Schwarzenegger as with Bush. It took steady leadership after the worst terrorist attack in the nation's history to convince many Americans that Bush was leader of the free world. He cannot risk looking like a No. 2.

California has spent nine of the past 11 years with a governor and a president of opposing parties. There was hope, indeed it was a part of Schwarzenegger's campaign, that having chief executives from the same party might bring benefits to California.

It has not happened yet. Schwarzenegger's term is young, and his relationship with Bush may yet blossom into a close and mutually beneficial friendship. For now, the distance between Washington and Sacramento appears as far apart as ever.

Contributing Editor Marc Sandalow is the San Francisco Chronicle *Washington bureau chief. Send comments to* **comments@californiajournal.com**

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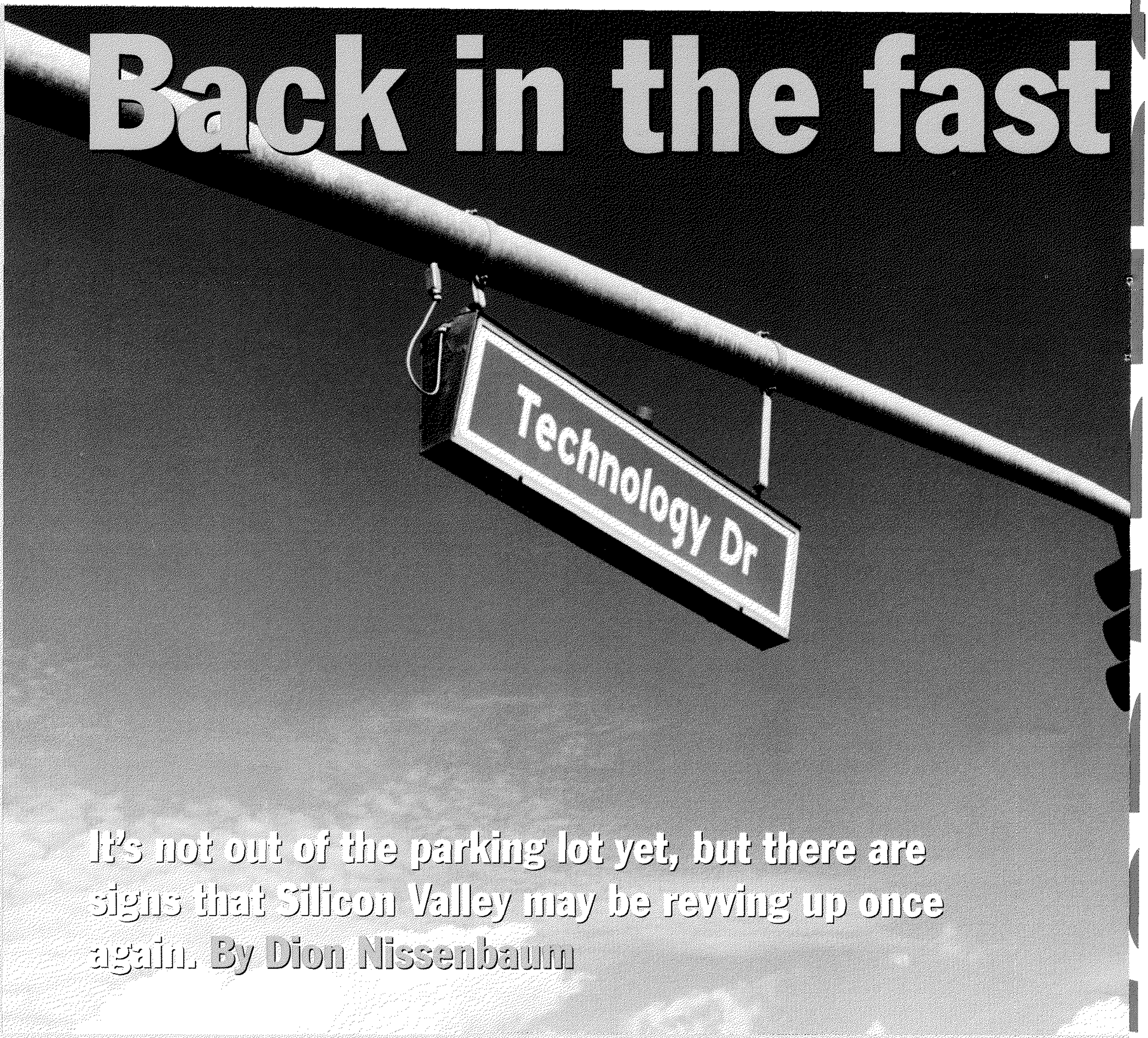


It's not out of the parking lot yet, but there are signs that Silicon Valley may be revving up once again. By Dion Nissenbaum

Traffic.

If there was ever a bellwether for the state of Silicon Valley's health, it is the traffic.

During the region's intoxicating boom, brand-new BMWs with personalized license plates jostled for position on the overtaxed highways with an ever-expanding line of SUVs, Audis, Porsches and convertibles.

Traffic between San Francisco and Silicon Valley stretched for miles, leaving exasperated drivers staring at billboards advertising the latest Internet craze or, more likely, talking stock options and VC funding on their cell phones.

When the jobs disappeared, so did the worst of the horn-honking frustration.

But now, four years after the dot-com collapse pushed unemployment to

lane?

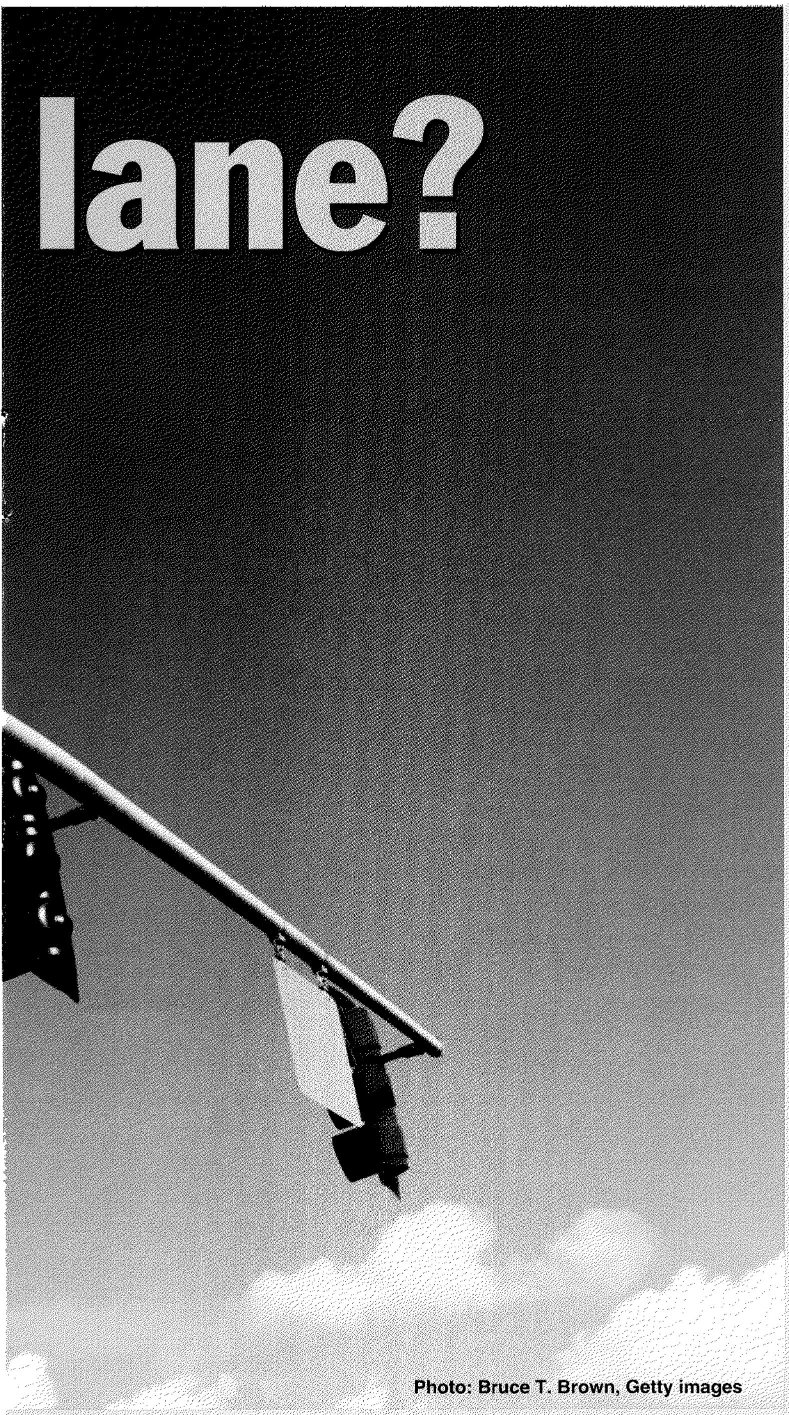


Photo: Bruce T. Brown, Getty images

historic highs and rid the region of 200,000 jobs, the traffic jams are slowly beginning to re-appear.

While idling cars may be bad for the air, it's a subtle signal that the brash optimism that fed the region's heyday may be fueling an economic rebirth.

"It feels a little bit like 1996," said E-Loan CEO Chris Larsen. "You don't see the slumped-over shoulders. You see where things could lead."

Fewer slumped-over shoulders may seem like a small thing, but for those who lived through the rise and fall, it's big.

During the height of California's Internet craze, optimism flowed forth like Yosemite Falls after a spring Sierra storm. No idea seemed too dumb. Ordering home delivery of cookies and warm milk on-line seemed brilliant. So did Webvan's dreams of door-to-door food delivery and mylackey.com's notion of hiring out lackeys by the hour. And remember the famous 2000 Super Bowl ad featuring the pets.com sock puppet?

Brash entrepreneurs laughed off Federal Reserve Board Chair Allen Greenspan's warning of "irrational exuberance" as nothing more than the over-cautious blathering of the Old Economy's great defender.

But then California's second gold rush, which venture capitalist John Doerr famously called "the largest legal creation of wealth in the history of the planet," came to an abrupt end.

Unemployment, which was all-but eradicated in Santa Clara County by the end of 2000, rose to 8 percent over the next 12 months. At the height of the dot-com boom, more than 1.1 million workers flooded into the county to fuel the economy. Between the summer of 2000 and January of this year, the region lost 200,000 jobs — pushing one of every six Silicon Valley workers out on the streets.

The crash produced the single largest number of job losses for a major metropolitan area since the Great Depression, according to the Center for the Continuing Study of the California Economy.

Soon dot-com refugees were hosting pink slip parties, watching their desks sold at "death of a dot com" auctions and sitting on the steps of San Francisco's Opera House during the Webby Awards with "will trade options for food" signs.

The collapse took its toll on more than Silicon Valley. Throughout the boom, California fed itself on the infusion of cash generated from stock options and capital gains taxes. State leaders lavished schools, highways, cities, counties and taxpayers with the largesse. When the money stopped flowing, state leaders kept spending at the same rate —leaving California with an intractable budget mess that helped sour the mood of voters and contributed to the ouster of Democratic Governor Gray Davis.

Silicon Valley remained in a state of shock.

Bouncing back?

But if the region is known for anything, it may be its resilience and ability to adapt. And the pioneers who led Silicon Valley to the Promised Land have returned from the wilderness with good cheer.

"The spirit of Silicon Valley never left," said Tim Draper, the venture capitalist who helped launch Hotmail and dozens of other successful start-ups. "It's alive and well and people who lost their jobs decided to start new businesses."

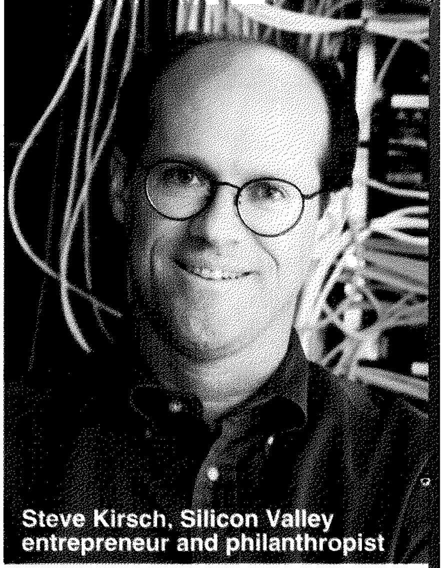
Funding from venture capitalists like Draper is one clear sign that the region is finally on the rebound. After keeping their powder dry, the Drapers of the world are finally beginning to spend more to find the innovators who may produce the valley's next "new new thing."

Venture capitalists doled out $1.6 billion on Bay Area firms at the end of 2003, a 20 percent jump from the previous quarter and the largest rise in more than a year.

The trick for the venture capitalists is figuring out what to spend their money on. Draper and other VCs are betting that the Next Big Thing will be small: nanotechnology, which looks to reduce engineering to the molecular level. Two Bay Area nanotechnology firms — Nanomix of Emeryville and Nanosys in Palo Alto — have been dubbed "technology pioneers" by the World Economic Forum and other start-ups are crowding the field.

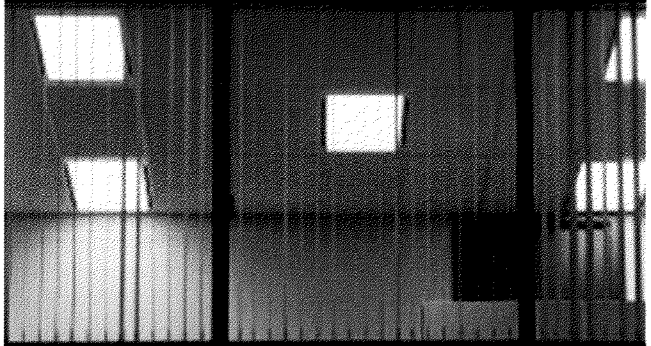
The other industry creating a buzz is biotechnology. Gilead Sciences in Foster City was also named a "technology pioneer" for its innovative drugs that combat HIV and hepatitis. Backed by a wealthy and powerful coalition of entertainers, academics and scientists, Palo Alto real estate developer Robert Klein is spearheading a drive to put a measure on the November ballot that would pump $3 billion into stem cell research.

"People are starting to take new risks," said Draper. "I'm optimistic there are really going to be some great things that drive the new boom."



Steve Kirsch, Silicon Valley entrepreneur and philanthropist

By the Numbers: Upsides in the downturn



62% Avg. amount rental rates for commercial office space have dropped since 2000.

9% Avg. amount apartment rental rates declined between 2002-03.

39% Percentage of congested freeway miles in 2002, down from high of 55% in 2000.

26% Number of households who could afford a median-priced home in Santa Clara County, up slightly from 2002.

23% Rate that violent crime dropped between 2001-2002, compared to a 2 percent increase statewide. Juvenile felony arrests for violent crimes, however, increased 24%.

25% Amount of Silicon Valley acreage designated as permanently protected open space, up 13% since 1998.

73% Voter registration hits all-time high, better than average of California voters statewide.

300% Increase in number of voters registered as "decline-to-state" from 1998-2003.

Source: Joint Venture: Silicon Valley Network, 2004 Index

Not everyone is so cheery.

Oracle's Larry Ellison told the *Wall Street Journal* last year that we were witnessing "the end of Silicon Valley as we know it." Venture capitalist and Republican activist Greg Slayton said he still sees a "tale of two economies" in which well-educated workers with MBAs can't find a job. And Steve Kirsch, Silicon Valley philanthropist and multi-millionaire founder of at least four high-tech start-ups, recently predicted that the "new new thing" is still five years away.

One major challenge for the region is the emergence of new Silicon Valleys not just across the country, but around the world. Austin, Boston, Singapore, Shanghai, Seattle and Bangalore are all testing Silicon Valley and threatening to rise as the new centers of power.

"We've got to compete with other regions," said Doug Henton, president of Collaborative Economics in Mountain View, a regional economic analysis group. "There are lots of Silicon Valleys today — we're not the only one."

To remain competitive, valley leaders are looking to Sacramento and Washington, D.C., for help. While the depressed economy drained the region of jobs, it did little to drag down the astronomical price of housing. Although housing affordability improved slightly last year, only one in four valley residents can afford to buy a home, compared with more than one in two nationwide.

Producing more affordable housing, more highly-educated students and better transportation systems has become almost a mantra for the Silicon Valley Manufacturing Group, a leading advocacy group for the region.

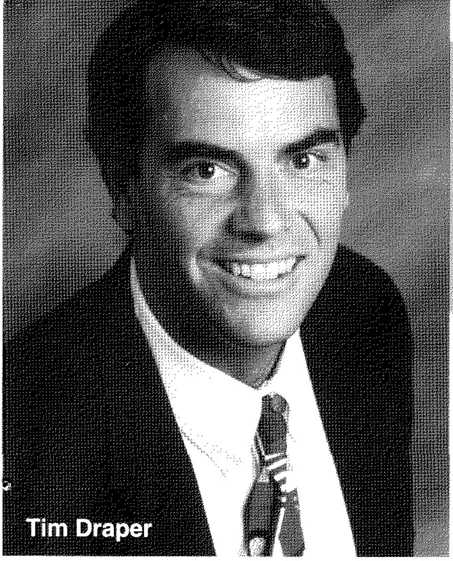
Over the years, the group has put its weight behind more than a half-dozen initiatives to bolster the region's health. Most recently, executives pushed a sales tax hike to help extend BART service to San Jose.

Such initiatives, leaders argue, are key to restoring the region's fiscal health.

"Places like this don't compete on low costs," said Henton. "We really compete on innovation."

Retaining jobs will require more than better roads, schools and housing, however, and the debate is set to take center stage in the battle for the White House. While the presidential candidates debate whether or not it's good or bad for the nation's economy to ship good-paying jobs overseas, valley leaders remain divided on the issue of outsourcing.

While the trend has helped boost productivity for some companies, it has not necessarily added more jobs. Meanwhile, lawmakers in Washington, D.C., and Sacramento



Tim Draper

> **“People are starting to take new risks. I’m optimistic there are really going to be some great things that drive the new boom.”**
>
> **— Venture capitalist Tim Draper**

have introduced a raft of bills aimed at curbing outsourcing and protecting American jobs.

Political savvy

The outsourcing battle has put high-tech leaders on the front lines as they try to defend their industry and protect their companies from becoming political punching bags.

Led by the California Manufacturers and Technology Association and the American Electronics Association, technology leaders have led the battle for the hearts and minds of lawmakers in both capitals. Since the downturn, they have become more skilled in protecting their political interests.

Their success has been mixed. Industry leaders have managed to beat back efforts to impose new taxes on Internet sales. But faced with grim photos of poor children picking through piles of garbage for discarded computer parts, computer manufacturers have been forced to embrace California’s landmark e-waste regulations aimed at reducing the number of computers dumped in foreign lands.

The key battle this year will be over how to expense stock options. With federal regulators pressing ahead with tax law changes that companies warn could undermine their bottom lines, a bipartisan coalition of lawmakers is coming to the aid of Silicon Valley executives who argue that the change could dramatically undermine their profits and force them to discontinue offering options to their workers.

Despite the challenges, Kirsch said the valley is much more political savvy today than it was at the start of the boom.

“I think the valley has become much more sophisticated over the last five to 10 years in terms of getting involved and being pro-active,” said Kirsch, who has filed

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The study, *The Ties That Bind: Changing Demographics and Civic Engagement in California*, finds that while Latinos are seriously underrepresented at the ballot box, they attend meetings involving local issues more than almost any other group. This analysis is the first to look at racial and ethnic political participation in nonvoting activities such as making campaign contributions, signing petitions, and writing to elected officials.

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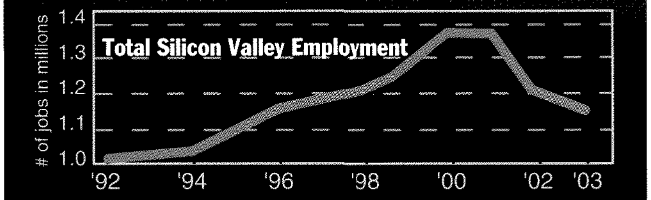
Technology leaders routinely visit Sacramento and Washington, D.C., to press for their issues. Since winning last fall's recall election, Republican Governor Arnold Schwarzenegger has met with Silicon Valley executives three times to discuss the job climate and what Sacramento can do to help.

Along with the battles in the capitols, some disaffected technology leaders are turning to the initiative process to press their agenda.

The tactic is not new. Over the last 10 years, Silicon Valley titans have used the ballot box to try and limit shareholder lawsuits, create school vouchers and make it easier for voters to raise local taxes.

Silicon Valley software employee working in Bangalore, India. Photo: Reuters 2004.

Peaks and valleys in tech jobs



Overall, Silicon Valley has lost roughly 202,000 jobs* from its peak employment in 2001. As of mid-2003, Silicon Valley had 1.17 million jobs, down 5 percent from the previous year. Although job losses continue, the rate of job loss has slowed from the major slide of 2001-2002, when 10% of SV jobs disappeared.

The healthiest job sector is health services, which gained 1,400 new jobs in 2002-2003. Every other sector, except for corporate offices, lost jobs.

Average annual pay declined in 2002-2003 for the third straight year to $62,400, down from a peak of $81,700 in 2000. Although average pay is still 60% higher than the national average ($37,300), Silicon Valley's cost of living is 47% higher than the national norm.

All current data based on 2nd quarter, 2003 statistics.
***Includes both full-time and part-time employees; does not include those who are self-employed.**
Source: Joint Venture: Silicon Valley Network, 2004 Index

Last year, after another futile battle in Sacramento to prevent banks and other businesses from selling customers' personal data, Larsen spent $1 million to gather 600,000 signatures for a tough consumer privacy law he vowed to put before voters unless state leaders took action.

With time running out, lawmakers, consumer groups and the business community hammered out a compromise that headed off the initiative.

"The power of the initiative is huge," said Larsen. "I think that's a route we need to take more often."

While Silicon Valley is turning to Sacramento and Washington, D.C., for help, politicians from both parties still flock to the valley to raise money for their campaigns.

While there are plenty of Republican technology leaders, Silicon Valley and California are generally considered Democratic turf. Democratic presidential candidate John Kerry has visited the Bay Area more than 15 times over the last few years, while former rivals Howard Dean, Joe Lieberman, John Edwards and Dick Gephardt all trekked through the region to rally supporters.

But no one is banking on the region to produce the flood of taxes that swamped California's coffers during the dot-com boom. Those days are gone and, even if they return, it's unlikely that state leaders will make the same mistake of thinking the halcyon days will live forever.

In fact, lawmakers in Sacramento are wrestling with ways to revamp state law to ensure that California's ability to balance its budget does not rely so heavily on such volatile taxes.

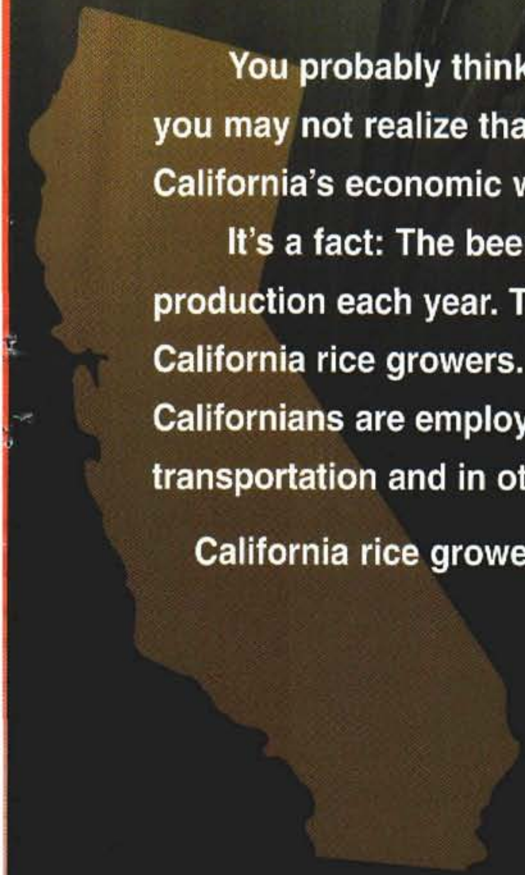
"The valley may have spawned the money, but the valley didn't make the decisions to spend it," said Stephen Levy, director of the Center for the Continuing Study of the California Economy in Palo Alto.

With the right mix of new ideas, private funding and public support, Silicon Valley may be ready for a renaissance. While few predict a return that will rival the dot-com revolution, no one is counting the valley out.

"It's really ours to win or lose," said Levy. "Our destiny is significantly, if not totally, in our hands."

Dion Nissenbaum is a Capitol Bureau reporter for the San Jose Mercury News. *Send comments to* **comments@californiajournal.com**

California Rice Keeps the Economy Brewing



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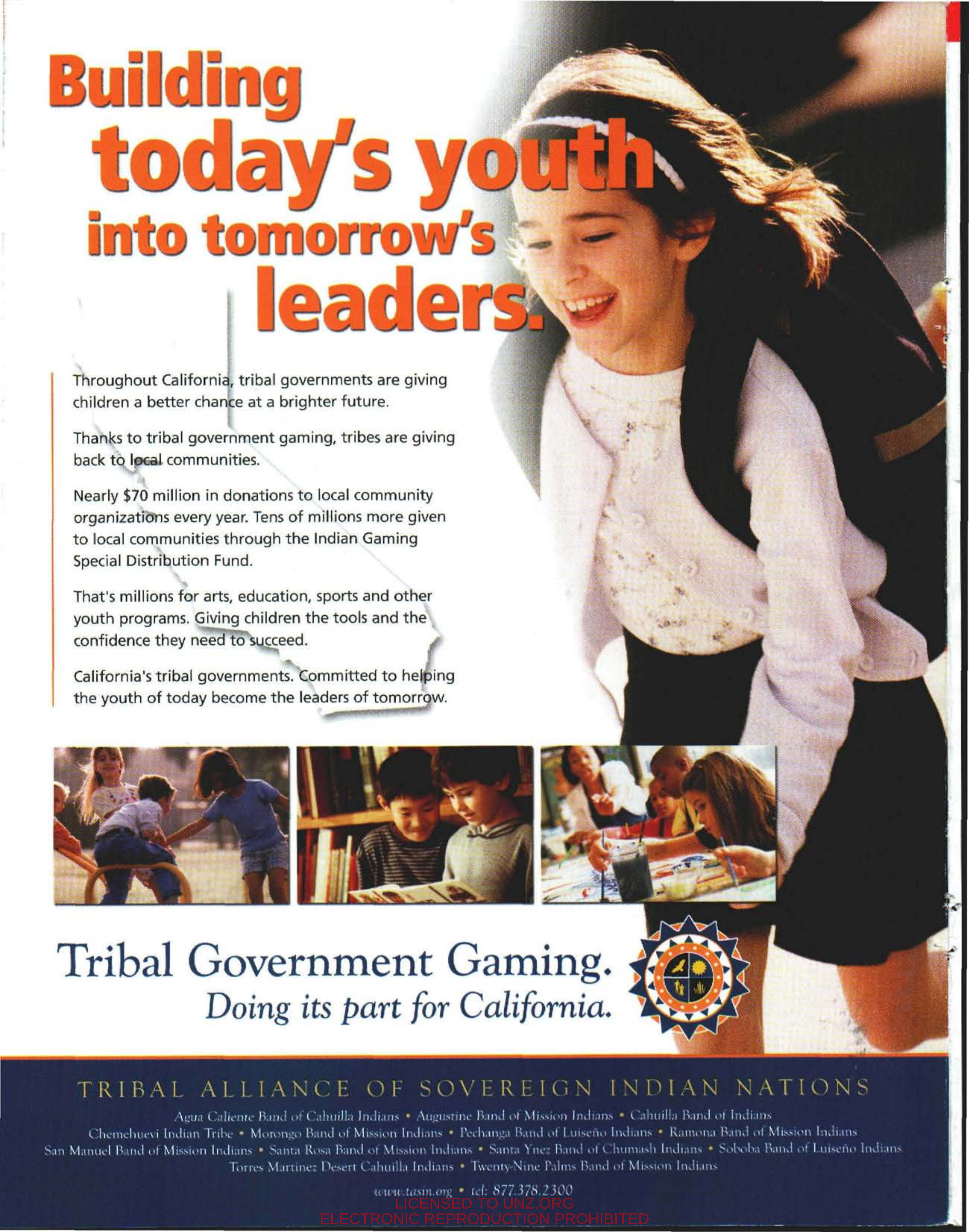

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